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**Customs Institutional Development:
Intelligence Unit Support -
CASES Data Reformation**

Final Report
May 2005

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

Data Page

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Abstract

Jordan Customs Department (JCD) plays a vital and central role in the international supply chain. For this reason, it is important for customs to be accepted by government, other agencies and the community as a professional law enforcement agency that prides itself on integrity and compliance with international standards.

This report analyses aspects of a JCD computer system (CASES) designed to record, retrieve and store information about smuggling and customs violations. The task was not to audit the system, but rather to assess certain operating procedures related to the system. The report documents the user profile of the system, how the system is accessed, what user documentation is available, what action has been taken to implement recommendations made in previous reports relating to the system, and finally makes a number of recommendations on how to improve data integrity and increase user acceptance and confidence in the system.

It is difficult to address the above issues without discussing some aspects of corruption and integrity, perceived or otherwise. The system stores information that is used by JCD to disperse a percentage of the fines to officers who are responsible for detection and seizure. There are a number of reports that are highly critical of the incentive payment scheme used by JCD. Some of these reports allude to the possibility that the incentives paid to JCD officers in some way encourage corrupt practices, although none of the reports go into any detail or provide any substantive proof. While the incentives program strives to pay some officers a livable wage, the system is seen by most senior officers in the organization as discriminatory and arbitrary.

There have been a number of reports, both internal and external, that have been critical of the CASES system as stated above, and the incentive program in particular. While the incentives program appears well based on provisions in the customs law, the program itself is root cause of much of the bad public perception of customs and certainly a major contributor to the poor morale in the senior executive ranks within customs.

Jordan's leaders are attempting to create a society where transparency in government is the cornerstone of good governance. The CASES system and the incentives program require a major overhaul if customs is achieve the government's goal.

Abbreviations and Acronyms

ASEZA	Aqaba Special Economic Zone Authority
ASYCUDA	Automated System for Customs Data
JCD	Jordan Customs Department
JOD	Jordanian dinar
TNA	Training Needs Analysis
WCO	World Customs Organization

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Executive Summary

The treatment of persons found to be smuggling or involved in fraudulent customs activity is heavily weighted towards facilitation in Jordan. This principle is consistent with the provisions of the Revised Kyoto Convention where standards aim to combine the adequate investigation of customs offences with a minimal disruption of trade. Obviously this approach will reduce the need to proceed to long and costly criminal proceedings involving minor irregularities. Similarly, severe penalties for minor breaches of customs law are seen as inappropriate. The convention also recommends that customs administrations ensure that investigations and penalties are proportionally related to the seriousness of the offence as well as to the culpability of the offender. I was advised that some serious cases are treated very lightly -- in other words the punishment does not fit the crime. However, without undertaking a specific analysis of the various penalty provisions and fines imposed it is difficult to comment on this claim.

An offender may negotiate under a formal and legal system with customs using a “settlement by compromise.” This option is articulated in the convention and is used extensively in Jordan to resolve smuggling and commercial cases. There are generally conditions applied to these arrangements or settlements and they are detailed in various articles in the customs law. According to the law, once a settlement is reached the legal process is discontinued.

While the customs law in Jordan is very specific on the subject of what information is to be collected and recorded, there is no reference to where or how the information should be stored. In 2001, JCD developed a computer system called CASES to record information on customs violations.

This report examines a number of aspects of the CASES system, including ownership, system availability, users, access, data content, training, statistics, and input/amendment/deletion arrangements. It also provides process maps for the three streams that generate information, namely, smuggling procedures, customs offences (fines) and customs offences (duties).

The CASES system records the amount of fines collected by the JCD and the data is used to populate another system, called incentives. The system calculates what percentages of the fines are to be distributed to individual officers who were involved in the seizure of the goods. The incentives program is discussed at some length as a number of previous reports pose questions concerning the accountability and integrity of the system.

The following recommendations are a result of a review of the CASES system:

1. Request the Director General of Customs to sign an all staff memorandum advising that all correspondence, management and access issues relating to the CASES be channeled through the Director of the CASES Directorate.

2. CASES Directorate, in consultation with Information Technology and Internal Audit Directorates, develop an audit plan that focuses on user access to the system.
3. Establish a CASES User Group that provides advice to the Director of CASES on system management and improvements. The Director of CASES will provide regular briefings to the executive making appropriate recommendations on the operation and management of the system.
4. Task the Information Technology (IT) Directorate to advise on whether the CASES system could be redeveloped to include secure compartments for use by external agencies.
5. Task the CASES user group to review the data content of the system including seeking assistance from IT Directorate by providing detailed analysis of every field.
6. The Training Center undertake a training needs analysis with all CASES users. Refer the results of the training needs assessment to the CASES user group.
7. In consultation with IT Directorate, task the CASES user group to develop a user manual that includes a glossary of terms and measurement specifications for various classes of goods that are detained, seized or confiscated.
8. Recommend that the CASES user group develop policy and directives on what the type of seizures should be recorded in the system.
9. Seek legal advice on the chain of evidence issues where goods are handed to another agency.
10. Undertake a major audit and cross reference of the system to court records to determine what data deficiencies exist in terms of closing cases.
11. Task the CASES user group to address the issue of mandatory fields as part of its review of the system.
12. Review the use of the inspection report form by the Enforcement Directorate. Based on comments, legal advice and the findings in this report, consider discontinuing the use of the form immediately.
13. Draft a directive for signature by the Director General, JCD to discontinue the practice of completing the inspection report form.
14. Consider employment of a system analyst with experience in both audit and security.
15. Task the Border Management Task Force to develop a concept paper on the development of a national multi-agency information and intelligence system.
16. Engage a salary/conditions expert to explore alternatives to the current incentives system.

17. Task the CASES user group to consider and prioritize the recommendations made in the report titled “Customs Institutional Development – Intelligence Software Training,” prepared by AMIR Program consultant Michael Krstic, July 2004.

1. Background

Since the AMIR program commenced in 1998 there have been a number of reports written by consultants that make reference to the CASES database but do not address, in any detail, how the system operates. The CASES database was developed by JCD to record and manage information relating to customs smuggling and general violations. The system has the potential to record a great deal of information about persons, modes of transport and companies involved in violations of the customs law in Jordan.

The reports of most relevance are listed below and were prepared by a consultant and subcontractor of the USAID-funded AMIR Program. They are referenced extensively in this document, particularly with respect to the array of recommendations that have been made and not implemented.

Intelligence and Information Management in Jordan Customs	December 2003	Michael Krstic
Intelligence and Information Management in Jordan Customs: Intelligence Modeling	January 2004	Michael Krstic
Intelligence & Risk Management Interface Intelligence Modeling	March 2004	Michael Krstic
Intelligence Software Training: Policies, procedures and training to support intelligence modification of the cases database	June 2004	Michael Krstic
Digital Signature at Customs: Current Diagnosis	June 2004	IBLAW

2. Scope of Work

This report is prepared in accordance with the scope of work agreed under activity number 555.01 Customs Institutional Development – CASES data reformation.

The objective of this consultancy is to assist JCD in addressing the macro issues regarding modifications to the enforcement process to improve the integrity of the CASES system.

The consultant tasks for this scope of works are as follows:

- Prepared a process map of the current application of the cases system to identify the data entry points, authorizations for entry and checks and balances for validity of the data entry.
- Research and document all current policies and procedures relative to the cases system. This will include both written and unwritten applications.
- Provide an analysis of the current cases systems and the documentation of the cases system within the CASES database. Benchmark against international best practices and to the fullest extent possible against internationally accepted documented norms. Examples of the documented acceptable norms and best practices would be contained in conventions or treaties such as the revised Kyoto Convention or the Arusha Declaration.
- Based on the process mapping, undertake research on current procedures and prepare a recommended business plan to correct identified deficiencies in the current practices of the JCD relative to identified cases. Examples of suggested corrective actions are:
 - Changing the data entry process to the direct responsibility of the discovering or seizing officer so that the CASES database entry is traceable to the officer having first hand knowledge of the violation.
 - Modifying the data entered that once entered and approved by the first line supervisor, the data cannot be readily modified and all subsequent modifications will identify the person modifying the data and the reason for the modification.
 - Preparing a complete set of requirements to make the proposed procedure modifications contained in a business plan including timelines. This plan to identify the further role of the CASES Directorate personnel and training plan for enabling the discovering or seizing officers to make the data entry into the CASES Database.
 - Preparing draft directives for the signature of the Director General of Customs for the implementation of the required changes.

3. Interviews

The following officers from Jordan Customs Department were interviewed during the preparation of this report:

- Mr. Ahmad S. El-Faouri, Director, Amman Customs House
- Mr. Omar Salem Abdul hamid al-Nsour, Head of CASES Section, Amman Customs House
- Mr. Mohammad Obeidat, Assistant Director, Planning and Organization
- Mr. Marwan Gharaibeh, Director, Planning and Organization
- Mr. Jawdat Al-Qasem, Director, Risk Management Directorate
- Mr. Nasir Al Zu'bui, Assistant Director, Head of Incentives Section, CASES Directorate
- Mr. Basel Rawashdeh, Head of CASES Section, CASES Directorate
- Mr. Mohammad Anaswah, Director, Finance Directorate
- Ms Somaya A. Al-wahoush, Director, Information Technology Directorate
- Mr. Tayseer Shboul, Manager, Intelligence Section
- Mr Assad Mustafa, Programmer, Information Technology Directorate
- Mr. Edrees S. Ta'ani, IT manager, Amman Customs House
- Mr Salah Dababseh, Director, CASES Directorate
- Mr. Jamal Oliamat, Customs Specialist, AMIR Program

4. CASES System

4.1 Background

CASES is a national computerized system that was designed to record and store seizure report data pursuant to the provisions of the Customs Law No.20 of 1998. The system is managed and owned by the Director, CASES who is located in the JCD headquarters in Amman. The CASES Directorate is made up of three sections; Incentives, Foreign Vehicles and Customs cases.¹

The system is used by officers in the CASES, Intelligence, Enforcement, Finance, Risk Management and Planning and Organization Directorates and most customs centers. Access to the system is authorized by directors from these work areas and given effect by the IT Directorate.

Data input to the system in the Enforcement Directorate and at the customs centers (that have access to the system) is undertaken by CASES officers assigned to the individual work area. The input is not undertaken by the inspector or patrol officer making the seizure. The reason for this is a combination of inadequate training and a strategic decision when the system was first implemented, to provide a level of quality control by using dedicated data input personnel. As the reader will see, it is questionable if this outcome has been achieved.

4.2 Legal References

Article 185 of the Customs Law No.20 of 1998 sets down the requirement for customs officials to prepare a Seizure Report when discovering a smuggling crimes or general customs contraventions.

¹ A customs case is best defined as all relevant papers and electronic records pertaining to a potential offence under relevant articles of the customs law.

4.3 Availability by Location

According to IT Directorate, CASES system is on line at 26 separate locations, namely-



The sites above, enclosed by a border, are known as “local or snapshot access sites.” Apparently there are communications difficulties with these locations that necessitate the exchange of data between the user center and the mainframe once a day, generally in the evening when transaction activity is lowest. In other words, the system is not real-time. The IT Directorate is working with local suppliers to rectify this problem.

4.4 Users

As at 10 May 2005, there were 178 active/current users of the CASES system. Once an officer has been granted access to the system his/her user code remains permanently in the system. The user code will be disabled if the officer moves to another work area or reconfigured if the officer has a continuing requirement for access.

4.5 Access

Officers requiring access prepare a memorandum for signature by the director of the immediate work area. The memo is forwarded to the IT area where a programmer establishes the user access code and issues a password. This arrangement was raised with the Director, CASES who said that while the system worked it could give the wrong impression as to who owned the system.

Once the user identity is established, IT Directorate staff assigns program access status and then the user ID is married to a privileges table as per the memorandum received from the work area. IT then issue a password and user code to the officer.

The access table operates in the following manner:

User Table	Program Table	
1145	Case_D001	
User Program		
User ID	Program ID	Privilege
1145	Case_D001	A.B.C.E.F.G*

* A=Full Access
 B=Insert
 C=Update
 D=Delete
 E=Query
 G=Print

4.6 Data Content

Data is recorded in CASES as either a smuggling or a customs offence violation. The difference between a smuggling violation and a customs offence is best explained by referencing Articles 198 and 203 of the Customs Law No. 20 of 1998.

Summarizing, a smuggling offence is one that involves bringing goods into the country or transferring them out of the country in contravention of the legislation. This may mean non-payment of duties, failure to present the goods to customs or transporting goods that are subject to a prohibition or restriction.

A customs offence on the other hand, generally relates to violations concerning the reporting of cargo, completion of documentation, storage of goods in warehouses, the transit arrangements for goods, keeping records related to customs transactions and so on. The offences are detailed in Section 2 of the Customs Law, customs offences and their penalties, in Articles 198 – 202.

As at 23 May 2005, the total number of cases (violations) in all categories was 210,974. There are some anomalies in the statistics. For example, in the ten-year period from 1993-2002, Omari recorded 789 smuggling and general customs violations. In 2003, Omari recorded 5,130 violations; in 2004, it recorded 7,550 violations and in 2005, it recorded 5,828 violations. Clearly, the ten-year total of 789 is understated and as far as I can determine came about when the system backlog was loaded in to the system. Those cases that were classified as ‘closed’, in other words, all action was completed, were simply not put into the system.

As has been pointed out in many of the previous reports, there is ample opportunity for the CASES Directorate to develop models and conduct analysis to improve the data integrity content. According to the users, the quality of the information in the CASES system is variable. Risk Management and Intelligence both expressed concern about the data quality but recognized the potential value of the system, particularly if an effort was made to improve the management of the system.

The following tables show the total number of cases by customs center for the years 1993-2005 and then individual tables for the years 2003, 2004 and 2005 (to date).

Table 4.1 Total Cases by Customs Center), 1993-2005

		1993-2005
		Total Cases
Center ID	Center Name	
200	Amman HQ	11127
201	Ramtha	2273
202	Irbid Parcels Post	176
203	Al Mafraq	166
204	Zarka	12
205	El Karama	13730
206	Zarka FZ (Goods)	34722
207	Prince Mohammad Bridge	14
208	King Hussein Bridge	67
209	El Salt	18
210	Mahattah Bonded	2
211	Amman CH	32749
212	Amman Postal Ops	20
213	Qaweismeh Bonded	18
214	Queen Alia (Pax)	569
215	Queen Alia (Goods)	8577
216	Omari	17039
217	Karah Customs Center	34
218	Ma'an Customs Center	4
219	Mudawwara	2674
220	Aqaba	28632
221	Aqaba Free Zone	1
222	Sahab QIZ	2255
223	EL Zdurrah	9
224	Passengers Arab Bridge	9
226	Jaber	31928
227	Enforcement	5400
229	Yadoudeh Bonded	13
232	Wadi Araba (Dead Sea)	5
233	Sheik Hussein Bridge	261
234	Special FZ (Sheep) Quewirah	1
236	Amman Civil Airport (Marka)	1
241	Al Zhussan QIZ	85
253	Jordan/Syria FZ	54
254	Jordan Magnesium	2
255	Al Raqeem	38
259	Karak Industrial Zone	1
266	Zarka FZ (Vehicles)	11664
270	Wadi Yetum (ASEZA)	5880
271	Wadi Araba (ASEAZA)	611
273	Zarka Customs House	1
275	Amman CH (General Stores)	131
324	Arab Beer Bonded Area	1
	Total	210974

Table 4.2 CASES Record for 2003, by Port, Type and Amount of Fines

Center ID	Center Name	2003			Number of Cases			Total Cases
		Number of Cases	Amount of Fines	Average Fine/Case	Customs Offense	Amount of Fines	Average Fine/Case	
		Smuggling offense						
200	Amman HQ	160	673909	4212	2282	1179276	517	2442
201	Ramtha	76	14576	192	205	7170	35	281
203	Al Mafraq	3	0	0	0	0	0	3
205	El Karama	820	333336	407	2467	721689	293	3287
206	Zarka FZ (Goods)	284	650447	2290	1277	146507	115	1561
207	Prince Mohammad Bridge	0	0	0	1	206	206	1
208	King Hussein Bridge	2	4171	2086	1	55	55	3
211	Amman CH	765	777063	1016	1243	117731	95	2008
214	Queen Alia (Pax)	3	12915	4305	0	0	0	3
215	Queen Alia (Goods)	98	68194	696	501	42740	85	599
216	Omari	189	201575	1067	4941	400512	81	5130
219	Mudawwara	22	23018	1046	778	51811	67	800
220	Aqaba	441	273696	621	3974	904638	228	4415
222	Sahab QIZ	15	36269	2418	701	78983	113	716
226	Jaber	320	107960	337	4609	240332	52	4929
227	Enforcement	1423	2802261	1969	26	5783	222	1449
232	Wadi Araba (Dead Sea)	3	927	309	0	0	0	3
233	Sheik Hussein Bridge	0	0	0	1	2000	2000	1
241	Al Zhussan QIZ	0	0	0	1	0	0	1
253	Jordan/Syria FZ	2	0	0	1	0	0	3
255	Al Raqeem	0	0	0	0	0	0	0
259	Karak Industrial Zone	1	6156	6156	0	0	0	1
266	Zarka FZ (Vehicles)	13	6522	502	4670	299727	64	4683
270	Wadi Yetum (ASEZA)	169	129716	768	1636	44800	27	1805
271	Wadi Araba (ASEAZA)	81	18242	225	180	4800	27	261
275	Amman CH (General Stores)	2	2984	1492	16	650	41	18
	Total	4892	6143937	1256	29511	4249410	144	34403

Table 4.3 CASES Record for 2004, by Port, Type and Amount of Fines

Center ID	Center Name	2004			Number of Cases			Total Cases
		Number of Cases	Amount of Fines	Average Fine/Case	Customs Offense	Amount of Fines	Average Fine/Case	
		Smuggling offense						
200	Amman HQ	242	494530	2002	2597	2140810	824	2839
201	Ramtha	551	91511	166	391	15085	39	942
203	Al Mafraq	3	0	0	0	0	0	3
205	El Karama	1069	509630	477	5502	767569	140	6571
206	Zarka FZ (Goods)	332	936254	2820	1893	241175	127	2225
207	Prince Mohammad Bridge	0	0	0	0	0	0	0
208	King Hussein Bridge	1	0	0	12	1000	83	13
211	Amman CH	1083	1064110	983	1730	160700	93	2813
214	Queen Alia (Pax)	40	17646	441	349	16327	49	389
215	Queen Alia (Goods)	132	152029	1152	545	51610	95	677
216	Omari	199	137934	693	7351	675271	92	7550
219	Mudawwara	32	7598	237	959	60742	63	991
220	Aqaba	470	818724	1742	4193	528388	126	4663
222	Sahab QIZ	26	22760	875	1106	91301	83	1132
226	Jaber	390	144738	371	4744	230721	49	5134
227	Enforcement	1560	1011134	648	37	11695	316	1597
232	Wadi Araba (Dead Sea)	0	0	0	0	0	0	0
233	Sheik Hussein Bridge	20	6772	339	137	27798	203	157
241	Al Zhussan QIZ	2	0	0	60	1857	31	62
253	Jordan/Syria FZ	2	3627	1814	9	875	97	11
255	Al Raqeem	0	0	0	0	0	0	0
259	Karak Industrial Zone	0	0	0	0	0	0	0
266	Zarka FZ (Vehicles)	19	12616	664	4760	408815	86	4779
270	Wadi Yetum (ASEZA)	259	119599	462	2642	76925	29	2901
271	Wadi Araba (ASEAZA)	90	43896	488	112	3995	36	202
275	Amman CH (General Stores)	5	15636	3127	94	3550	38	99
	Total	6527	5600744	858	39223	5516809	141	45750

Table 4.4 CASES Record for 2004, by Port, Type and Amount of Fines

Center ID	Center Name	2005 (to date)	2005 (extrapolated)	Total Cases (2003-2005)
		Number of Cases	Number of Cases	
		Smuggling/Customs offense	Smuggling/Customs violations	
200	Amman HQ	1067	2134	6348
201	Ramtha	389	778	1612
203	Al Mafraq	0	0	6
205	El Karama	2771	5542	12629
206	Zarka FZ (Goods)	729	1458	4515
207	Prince Mohammad Bridge	0	0	1
208	King Hussein Bridge	9	18	25
211	Amman CH	990	1980	5811
214	Queen Alia (Pass)	85	170	477
215	Queen Alia (Goods)	191	382	1467
216	Omari	3148	6296	15828
219	Mudawwara	387	774	2178
220	Aqaba	1282	2564	10360
222	Sahab QIZ	215	430	2063
226	Jaber	1506	3012	11569
227	Enforcement	584	1168	3630
232	Wadi Araba (Dead Sea)	79	158	82
233	Sheik Hussein Bridge	0	0	158
241	Al Zhussan QIZ	22	44	85
253	Jordan/Syria FZ	32	64	46
255	Al Raqeem	37	74	37
259	Karak Industrial Zone	0	0	1
266	Zarka FZ (Vehicles)	1089	2178	10551
270	Wadi Yetum (ASEZA)	770	1540	5476
271	Wadi Araba (ASEAZA)	50	100	513
275	Amman CH (General Stores)	14	28	131
	Total	15446	30892	95599

4.7 Information Upload

IT Directorate advised that a day one approach was taken in 1998 to populating the CASES database. The system now contains historical data drawn from hard copy documentation and semi-automated systems that were in existence prior to 1998. The records system appears to have started around 1993. For closed hard-copy records where a fine was paid or mitigated, the record was not recoded in the system. Any hard copy record that was open at the time the system was input to the system. There were large numbers of records held in a semi-automated system called FoxPro and this data was downloaded and migrated to CASES.

4.8 Systems Audit

According to IT staff there is no ongoing systems audit activity for CASES. When systems are developed in JCD there is an internal review or audit process during the development phase but systems are not regularly audited. The reason offered for this situation was that there is no staff available and/or qualified to undertake the task.

4.9 Internal Audit

Internal Audit Directorate advised that it undertakes annual audits of customs centers and this involves examination of some aspects of the information flow to the CASES system. Internal audit does not audit computer systems run by JCD.

It does perform regular audits of the incentives program but this appears to only involve checking the amount of the payment against the incentive system, which is based on the amount of the fine recorded in CASES. The checks performed are to establish that all necessary approvals have been given.

CASES Directorate advised they undertake some random sampling of the database although this does not appear to be statistically based.

4.10 CASES History File

IT Directorate advised that no user access detail is deleted from CASES, making it possible to track and interrogate every transaction performed by a system user since the database was rolled out in 2001. Access to the history file is said to be on-line and available to all staff. The consultant believes this to mean that the history log can be searched by an individual user. I assume that the record of this interrogation of the system is also recorded on the user log.

4.11 Inspection Report

The Enforcement Directorate uses an inspection report form to record information regarding a smuggling offence. There is no reference to this form in the customs law. IBLAW, in its report a report on digital signatures prepared in June 2004, suggested that the form should not be used as the customs law requires a seizure report to be completed pursuant to Article 187. IBLAW went on to say that if the inspection report form is used, then the signatures of the officers and the violator/s must appear on the form.

At some point after the officers return the violator to Amman, the information from the inspection form is then transferred to a seizure report form. It appears that the detecting officers and the violators then sign the seizure report form. It has been suggested that this may lead to situations where, due to unavailability of the detecting or seizing officers, the form may be signed by other officers. There was no evidence that this practice is occurring.

Based on the comments of IBLAW and my own questioning of Enforcement Directorate personnel, I can find no substantial justification for the inspection report form. It seems to me that even if the inspection report form is not totally complete at the time of the seizure, the signatories have at least signed off on the basic facts, which is required under the customs law. However, Article 187 B states that the “formal incompleteness of the seizure report shall not be grounds for its annulment and the seizure report may be returned to those who prepared it for completion.” Under the current arrangement, the detecting officers and violators are required to sign two different forms, creating unnecessary duplication.

The inspection form appears to be used exclusively by Enforcement Directorate as officers detecting a smuggling offence at a customs center, such as Amman Customs House, use the seizure report form to record the initial seizure details. The inspection report forms are presented in paper pads and are sequentially numbered. The forms are an accountable form, according to Enforcement Directorate personnel.

I have completed a comparison of the data elements in both the inspection report and the seizure report. There are some inconsistencies in that a number of the fields on the inspection report do not appear in the seizure report or in the input screens in CASES. It is impossible to be too specific on this matter as there are free text fields on both forms that allow for some of this information to be captured and inserted to the database. The Jordan Customs Department should urgently reconsider the issue of mandatory fields as there is a strong argument to support the proposition that if the data is deemed to be important, is required by law then there should be mandatory and separate fields to capture this information.

The other point that this comparison generates is the question of why the Enforcement Directorate uses the inspection report in lieu of the seizure report. The fact is that all the fields completed by an inspector in the field and placed on the inspection report and replicated in the seizure report. This issue is discussed later in the report. Annex 6 contains a list of data elements in the inspection report.

Table 4.5 Comparison of Seizure Report and Inspection Report

SEIZURE REPORT	INSPECTION REPORT
<u>Form Header</u>	
. Registered (Sequential) Number	. Serial number
. Center Code	
. Center/Department	
. Name of offender/s	. Name of the offender/s
. Mother's name	
. ID Number	
. Tax File No.	
. Non-Jordanian Passport Number	
. Address	. Address
<u>Legal description of offence</u>	
. Article Number	
. Date	. Date
. Place of Detection/seizure	
. Time of detection/seizure	. Time of Activity
<u>Goods</u>	
. Description of Goods	. Description
. Quantity	. Quantity
. Value	
. Duties	
	<u>Question*</u>
	. Question re condition of goods*
	<u>Fines</u>
	. Fines collected
	. Receipt number
	. Date
<u>Vehicle/Transport Mode</u>	
. Description/Kind	
. Registration Number	
. Nationality	
. Hiding Place	
. Description of Place	
<u>Description of Seizure</u>	
. Names of Seizing Officers(and reference to informants)	. Names of officers
. Name(officer's staff ID no.)	. Officer ID number
. Title	.
. Signature	. Signature of officers
<u>Smuggler Details</u>	
. Signature of smuggler(to be signed after the above detail is read aloud to them*)	. Signature of smuggler
. Name	
. Signature	
<u>Storage Details</u>	
. Reference details for storage of goods	
. Reference number	. Seizure Report No.
. Date	

SEIZURE REPORT	INSPECTION REPORT
• Transport details	• Detail of goods transfer
• Number	
• Date	• Date
• Case number	
Signature blocks	
• Signature of CASES officer recording the case	
• Signature of Director	

4.12 Seizure Report

The seizure report is the primary document for recording details of persons, goods, actions and storage for goods that have been smuggled or fines have been imposed. Sections 184 to 187 of the Customs Law No.20 of 1998 detail the requirement to report smuggling information on a seizure report form. Annex 7 contains a list of the fields that appear on the seizure report. There are 38 fields available for completion.

4.12.1 Mandatory Fields

The JCD advised me that there has been a continuing debate on the issue of mandatory fields since the system was first implemented. When the system was first rolled out in 1998 all the fields were mandatory. The Information Technology Directorate advised that there were numerous complaints from the customs centers and the Enforcement Directorate; accordingly, the number of mandatory fields was reduced to satisfy the field offices. It is not clear whether these changes were made with the consent of the system owner or whether they were made simply to reduce the complaints. I suspect the latter.

The reason given for the reduction in the number of mandatory fields was that the information was not available at the time of the seizure. As I have pointed out elsewhere in this report, the customs law provides for information to be collected after the event and to be added to the seizure report. The problem then appears to be that this lack of discipline in collecting the information has lead to widespread criticism of the quality and quantity of the data in the system. In my view, this issue is a training and system management one and the responsibility for system and data integrity should rest squarely with the owner, the CASES Directorate.

Currently, there are seven (7) mandatory fields, as follows:

1. Article number
2. Date of Seizure
3. Time of Seizure
4. Declaration Number (if commercial seizure)
5. Name of violator
6. Center No.[relates to declaration]
7. Description of goods

There are some inconsistencies with the data elements, particularly when one examines the data collection requirement specified in Article 187 and the mandatory fields in the CASES system. While this is only an indicator, there is a need for an audit of the system looking particularly at the completion rate for every field in the CASES system. This would then provide a guide for the system owner as to which fields are being completed and should identify problem areas in data collection and input that can be satisfied by additional training or on-line assistance.

4.12.2 Training

Training or lack thereof is a major issue for all users. There is a view that the officers who are employed to input data to the system are inexperienced in customs matters and therefore have difficulty knowing what information to extract from the documents provided. This was certainly not evident from the officers whom I interviewed at Amman Customs House and Enforcement Directorate.

CASES Directorate is responsible for the training of officers that access the CASES system. The training is conducted by the National Training Center with support from an expert drawn from CASES Directorate at headquarters. I strongly recommend that the CASES Directorate undertake an assessment of the training requirement after a detailed analysis of the system.

4.12.3 Data Entry

There are two data entry streams. One is via a CASES officer assigned to a specific work area (e.g. Enforcement) and customs centers; the second is CASES Directorate staff working at headquarters. There are seven data input screens: five for basic input and two additional screens available for Enforcement Directorate to add additional information on the mode of transport used in the smuggling attempt and the other is used by CASES officers when “closing” a case.

Staff criticize that there is no assistance for data entry personnel when confronted with data element variants. The system appears to allow a number of options when inserting quantity for seized or smuggled goods. For example, I was told that cigarettes can be entered in single units (10,000 sticks), by carton or by box (containing a number of cartons). In most developed customs administrations, there is either on-line help with this aspect of the system or a user manual that dictates exactly what unit is to be used when recording data for specific types of goods. The problem outlined by staff, was that when a system is used to search for seizures of cigarettes for example, the unit of measurement is unknown and this necessitates the inquirer to go back to each and every seizure report to extract the correct number or weight of the item/s seized. CASES Directorate should develop a user manual that includes a glossary of terms and measurement specifications for various classes of goods that are detained, seized or confiscated.

4.13 User Groups

4.13.1 CASES Directorate

Cases Directorate at headquarters is the primary stakeholder in the CASES system. It is nominally responsible for the management and administration of the system. CASES Directorate readily agree that while they are the nominal owner of the system they defer to the IT Directorate to undertake many of the day to day management tasks as they do not sufficient staff to undertake these duties. Therefore, the perception that CASES Directorate does not own the system is not surprising.

CASES officers are responsible for following up the payment or mitigation of fines, preparing briefs of evidence for submission to a special court called the Customs Court of First Instance, providing advice to customs centers or relevant directorates on procedures or close off procedures where a case has been settled. Cases can be referred to the directorate either manually (fax or mail) or electronically, through the system or email. Most cases are referred or available for examination after the detail has been added to the system by CASES officers located at the customs center or in the Enforcement Directorate.

The CASES Directorate is solely responsible for the deletion of records. There is a formal and well documented process for the deletion of a record. The trigger for deletion of a record maybe the cessation of a case following a decision by the court or a directive by the Minister for Finance based a decision taken pursuant to Article 242 of the Customs Law. The use of the word “deletion” is a little ambiguous as the record remains permanently in the system but is not accessible to regular users of the system.

In deleting a record, the request must first be approved by the director of the work area (customs center, headquarters staff or Enforcement Directorate) and then countersigned by the CASES director. A memorandum is then prepared for the Director General’s office and the DG will either personally sign the request for deletion or delegate the responsibility to a deputy.

The CASES Directorate also has responsibility for conducting an internal audit program of the system. The CASES Directorate advised the consultant that the Internal Audit Directorate conducts a regular program of audits but this conflicts with advice from the Internal Audit Directorate that claimed to only undertake basic checks on the transfer of data from CASES system to the incentives system. CASES Directorate has no ownership of the CASES staff at the customs centers of in the Enforcement Directorate.

4.13.2 Customs Centers

The procedures at a customs center is said to be identical from one house to another. This has not been verified by site inspections. I visited Amman Customs House as it is the biggest and busiest customs processing center in Jordan and provides an excellent benchmark for system usage.

Cargo consignments are processed electronically using the ASYCUDA system. Consignments are selected for examination by a module within ASYCUDA called “selectivity”. The selectivity module is “fed” by information provided by the Risk Management Directorate and Intelligence Section. The “feed” is the result, in some cases, of analysis of CASES information.

When a declaration is selected for examination the inspector tasked to undertake the examination, is provided with an Inspection Report form² that includes the following information:

- Date
- Declarant Number
- Declarant Signature
- Declaration Number
- Declaration Name
- No. of Parcels
- Situation of parcels
- Condition of parcels (also opened or not opened prior to inspection)
 - o Condition – Good/Not Good
- Document/Goods check
 - o Accurate/Not accurate
- Name and Signature of Inspector
- Date
- Clearance Unit Chief’s Notes
- Name and Signature of Clearance Unit Chief

If as a result of an examination a seizure is made, the CASES staff at the customs center will assist in the preparation of the seizure report form based on the detail in the Inspector’s report.

² The data below was translated from Arabic to English from an inspection report form.

4.13.3 Enforcement Directorate

The Enforcement Directorate operates differently than other areas in customs, particularly with respect to capturing the raw seizure information. This directorate is made up of mainly of operational staff whose mission it is to identify and intercept smugglers. Most of the work undertaken in this directorate is in remote locations on or near the borders to neighboring Syria, Saudi Arabia, Israel, Palestine and Iraq.

When a seizure is made, the patrol officers prepare an inspection report form.³ The data elements contained in the inspection report are listed at Annex 6. The inspection report is an accountable form, is sequentially numbered and said to be regularly audited both by personnel from Enforcement and the Internal Audit Directorates from headquarters. At the conclusion of a patrol, the form is either faxed to the CASES office in the CASES Directorate or handed to the officers responsible for data input. Preparation of the seizure report is only initiated after the smuggler pays the fine or the case is dismissed.

4.13.4 Risk Management Directorate

Risk Management officers have read-only access to the CASES system. There is no electronic link between CASES and ASYCUDA therefore officers from Risk Management extract relevant data from CASES and develop criteria for the selectivity module of ASYCUDA.

The staff stated that it was difficult at times to get the full data set as there were very few mandatory fields in CASES and many other fields were not completed. One reason offered for this was the lack of training provided to officers responsible for inputting data to the system.

CASES does have a good report output capability and Risk Management Directorate staff claim they use the facility extensively. Unfortunately, the quality of the output is generally unacceptable because the data being input to the system is so variable and inconsistent.

4.13.5 Information Technology Directorate

Information Technology Directorate supports the CASES system and by default by managing a number of the administrative functions such as assigning user IDs and access privileges. Information Technology Directorate is anxious to hand over the management of the system as soon as possible to the nominated “owner”; viz., the CASES Directorate. Officers in the IT area claim they have no capacity to undertake system audit activities for CASES as they do not have sufficient or suitably qualified staff to perform the activity.

³ This inspection report is different than the previously identified one for the inspection of goods.

4.13.6 Intelligence Section

The Jordan Customs Department has only recently developed an intelligence capability and officers assigned to the unit are trying to use CASES as a repository for “intelligence” data. In my view, and the view of experts in this field, the current CASES system, while not perfect, contains a growing amount of extremely useful information for analysts. The analysts agree that they are concerned enough about the security of the system and the broad access rights to store their “intelligence” elsewhere. Information that is unprocessed and derived from informants or other unreliable and untested sources should be segregated from assessed information. CASES system does not deliver this protection.

As with all other user groups, Intelligence Section staff suggested that there was a need to establish a user group and identify the “owner” of the system. They were concerned about the quality of the information recorded on the system. There are records in the system they claim are incomplete and for no good reason. If the fields were mandatory then officers would have little choice but to pursue the information from the seizing officer/s and input the data.

Intelligence officers claim that the CASES system was originally set up to record drug seizures but the system is now used predominately for customs smuggling and commercial violations. It has been suggested that while the Enforcement Directorate records drug seizures in the CASES system the customs centers that “specialize” in processing commercial transactions would not input a drug seizure if encountered during a routine commercial examination. They claim the prohibited goods are handed over to the relevant agency (police or Public Security) and customs plays no further part in the investigation or prosecution.

If this is the case, then the JCD is missing out on an opportunity to record very useful information and more importantly to interrogate the data holdings at the border crossings. A simple example supports this proposition. If a truck driver who regularly transits Jordan is intercepted and found to be in possession of prohibited goods, he will be handed off to another agency. The referring agency may seize the goods and let the driver go with a caution or a fine. When the driver next crosses the border he will be a “clean skin” as far as customs is concerned unless by chance the same officer is on duty when the truck arrives and the same officer recognizes the driver. More than likely, customs will have no knowledge of the driver’s prior smuggling activity. In a risk-based intelligence-driven working environment, customs must be able to access information immediately if they are to draw valid conclusions about the risk the driver and truck presents when attempting to cross the border.

It is also interesting to note that every time customs is involved in a detection of illegal drugs, it is the Director General of Customs who is quoted in the *Jordan Times* newspaper detailing the work of his customs officers. One would expect that the detail would be recorded in the CASES system, even in the event that the goods and persons involved are handed to another agency. Apparently this is not the case. The Director, CASES agreed that not all the information is placed in the system. The system was not designed to be intelligence system and therefore drug data are not recorded as narcotics and are the responsibility of another agency.

I would strongly recommend that Customs use the CASES system to record all seizures, irrespective of whether the goods are handed off to another agency. There are legal and ethical questions in not recording the seizure and Customs should seek legal advice as the most appropriate arrangements for Jordan.

4.13.7 Finance Directorate

Finance Directorate has read-only access to the CASES system. Access is used to assist officers preparing financial reports and monitoring outstanding debts to the Customs Department. Under Article 161 of the Customs Law, Customs is empowered to levy a charge on the owners of goods at various rates as prescribed in the law. The proceeds of these charges are to be deposited into a fund and used for specific purposes, as specified in Article 161D. The Finance Directorate also monitors payments from individuals who elect to pay fines periodically. These arrangements are set down in a negotiated settlement contract.

5. Process Maps

5.1 Overview

The process maps⁴ contained in this report cover three scenarios, namely:

- Smuggling offences
- Customs offences (fines)
- Customs offences (duties)

5.2 Smuggling Offences

Annex 1 presents a flowchart describing the process for dealing with a person accused of a smuggling offence. The smuggling offences and penalties are defined in Chapter 4 of the Customs Law No.20 of 1998 at Articles 203-214. The treatment of persons found to be smuggling or involved in fraudulent customs activity is heavily weighted towards facilitation and an immediate financial resolution. In other words, persons caught smuggling commercial goods can recover the goods, providing they are not prohibited or restricted items, on payment of a fine. The offender may also negotiate what is called a “settlement by compromise.” There are certain conditions applicable to a settlement by compromise contract and these are detailed in various articles in the Customs Law. According to the law, once a settlement is reached the legal process is discontinued.

5.3 Customs Offences (Fines)

Annex 2 presents a flowchart describing the customs offences (fines) procedures. The penalties or fines relating to violations involving commercial goods are found in Chapter 3 of the Customs Law No.20 of 1998 at Articles 194-202.

5.4 Customs Offences (Duties)

Annex 3 is a flow chart describing the customs offences (duties) procedure.

The offences relating to violations involving commercial goods are found in Chapter 3 of the Customs Law No.20 of 1998 at Articles 194-202.

⁴ These documents were translated from Arabic and redrawn by the author. They were originally used by Information Technology directorate to map the three processes during development of the CASES system.

6. Incentives

6.1 Background

A chapter on the JCD incentives program is included in this report as the CASES system is used to record the amount of the fines collected by customs, and a percentage of these fines goes to fund the incentive program. The issue of incentives was addressed in part in a report AMIR report titled “Critical Skills – Gap Analysis and Closing the Gap.” In this report I made the point that many senior officers in customs saw the scheme as inequitable and a major impediment to developing an “esprit de corp” in the organization.

Corruption in customs is a problem for all customs administrations and one that requires constant vigilance no matter at what point on the development scale the administration happens to be. As the World Customs Organization points out, “there are few public agencies in which the classic preconditions for institutional corruption are so conveniently presented as in a customs administration. The potent mixture of administrative monopoly coupled with the exercise of wide discretion, particularly in a work environment that may lack proper systems of control and accountability, can easily lead to corruption. A customs administration infected with corruption is going to be seriously dysfunctional and the impact of the corruption will be felt throughout the society.”

The incentive program in customs is viewed by certain sections of the community and private sector as an undesirable practice. The incentive system was publicly criticized in a document titled ‘Jordan 2020’ when it was first released in 2000. This document describes a common vision about the future of Jordan. It is a comprehensive growth strategy for Jordan, outlining the steps to improve the economy by 2020. Key elements of this strategy include technology advancement, foreign direct investment, export-driven growth, and building a strong private sector-led initiative.

The JV2020 report stated, in part, that there was a need to ensure efficiency and fairness within the JCD and that while “progress is being made, further improvements are needed. Under current incentive systems, customs employees receive a share of the fines imposed. This motivates customs officers to look for discrepancies where none may exist. It also places the burden of proof on importers who challenge the assessment made by customs authorities. New incentives should be introduced to reward customs officers for detecting fraud, while also rewarding fairness and efficiency.”

The report went onto to identify a number of ways that JCD might move forward and these included:

- Cease inspections of every imported item within a shipment and institute random inspections instead, with full inspections initiated only when a high degree of suspicion warrants it.
- Abolish arbitrary assessments and accept invoices as presented.

- Increase penalties for fraudulent documentation.

I do not intend to discuss or debate at length the suggestions in this document but make the point that customs has moved a long way forward since this document was written although the incentives program continues to exist. The charging regime that JCD uses to fund the building of customs centers, establishing housing compounds and making loans available for housing as described in Article 161 of the customs law is not an uncommon practice. There are many customs administrations around the world that, at the direction of their government, have introduced cost recovery regimes based on a charge for processing each declaration. The charge on the declaration is unlikely to discourage importers if reasonable.

It is not required in this document to analyse the claim that dispersing fines to customs leads to the officers looking for errors that are not present. If this claim were true then one would expect that many more cases would be challenged in court and the decision taken by customs would be overturned. In fact, 99 percent of all cases involving smuggling and customs violations are settled by payment of a fine. The right of appeal is available to every importer and individual but clearly one that is not taken up.

There is a perception within the community in Jordan that the incentive program involves corruption by another name. This perception needs to be addressed urgently. Many people in the private and public sectors believe that customs should move to adopt a fairer system of rewards to officers based on performance and merit.

There is another view, expressed by JCD, that the system has been a successful countermeasure to potential corrupt activities by customs officers as the system delivers officers a livable wage. In many developing countries, the failure by government to deliver a livable wage to customs officers results in a high level of corruption. There is merit to this position and while the current incentives program is not an effective performance based pay system, the fact that officers do have a living wage must not be placed at risk in any change to the system.

This report will make a number of recommendations that JCD might consider. The first is that they approach the AMIR Program or independently acquire the services of a human resource/salary specialist who would be tasked with developing an alternative salary packaging arrangement for the JCD. This package might see the fines paid directly to Department of Finance, under a Memorandum of Understanding, and the JCD would receive equivalent funding in their annual budget allocation. The allocation might be dependant on the JCD implementing a performance and merit based reward system.

The argument that was constantly raised when I discussed these alternative reward programs based on merit and performance was that there are work areas in customs that are designated as “high risk” and as such should be better compensated given the exposure and risk to life. I have absolutely no problem with this argument but simply suggest that this payment be worked out on a better basis than the number of seizures made by an individual.

Lastly, much has been said and written about the incentives program, none of which addressed the legal framework that underpins the system. The fact is that while the system is based firmly provisions in the Customs Law it does not change my view that Customs needs to review the incentive scheme as soon as possible.

6.2 Arusha Declaration⁵

It is important to look at the detail in the Arusha Declaration as many of reform and modernization initiatives taken by JCD are consistent with principles espoused in the declaration. It is worth noting that in July 1993 when the Arusha Declaration was first made, it included a paragraph that stated” the remuneration received by Customs officers should be sufficient to afford them a decent standard of living, and may in certain circumstances include social benefits such as health care and housing facilities, and/or incentive payments (bonuses, rewards, etc).” When the Revised Arusha Declaration was done in June 2003 the specific reference to incentives was deleted and substituted with “remuneration and conditions to ensure Customs personnel are able to maintain a decent standard of living.”

Without seeing the transcript of Policy Commission meeting in 2001 one can only assume that the meeting discussed incentives per se and saw them as a potential problem area for customs administrations. The WCO commented that the revised declaration was consistent with the original declaration. It went on to say that, in the light of lessons learnt since the adoption of Arusha Declaration in 1993, the content of the declaration has been strengthened in a number of important areas, by providing the necessary stress on the importance of long term political commitment, emphasis on the strategic partnership with the private sector that includes consultative mechanism, the prime responsibility for prevention of corruption emphasized to lie with the leadership in the customs management and to highlight the importance of customs systems and procedures to eliminate opportunities for corruption.

6.3 Legal framework

Apart from anecdotal stories about the incentives program, no one in the JCD could advise me when the incentives system commenced. The current Customs Law No.20 of 1998 contains the legal authority for the collection and distribution of the fines and customs charges for processing of declarations. I am not aware if the previous customs law addressed charges and incentives in the same way. The current law contains a number of relevant articles pertaining to customs processing charges and incentive payments.

⁵ www.wcoomd.org

Firstly, Article 161⁶ describes allowances that are levied on owners of goods that are to be for “the benefit of Customs Department Officials and Officials of other departments working with them.” The article sets out a charge regime based on the value of the goods and the type of document processed by customs such as a transit, re-export and passenger’s statement for unaccompanied goods.

The article also allows the Council of Ministers, upon a recommendation by the relevant Minister to specify charges for work customs officers undertake out of hours or away from the declared customs office. This is in line with similar international practices used by customs administrations and other border agencies. Article 161 also specifies where these funds are to be deposited and the end use for the funds, namely for “improving customs centers, establishing housing compounds, housing loans for customs officials as well as improving their living conditions, sport, cultural and social standards.”

Article 242 of the Customs Law No.20 of 1998 sets down the distribution of customs fines and proceeds from confiscated property. The article states, in part, that after deducting costs, fees and duties the amount collected by customs will be discounted by 33 1/3 percent and these funds will be used to pay bonuses to officers based on a decision by the Minister. The remainder will be paid to Treasury.

The incentive system is reasonably well documented, although I am not prepared to say that I was able located every document relating to the system. I did however locate a number of key documents that derive their authority from the customs law and appear to be used extensively by the officers both collecting the fines and placing the record into the CASES system.

The first of these documents is proclamation/regulation 35/2000 wherein it lays down instructions to staff, via the customs intranet, as to how the fines are to be imposed under various articles of the customs law. The following is a translated extract from the proclamation or regulation relating to Article 197A.

⁶ Article 161 fees should only be amended with due care to insure compliance with obligations of Jordan as a member of the World Trade Organization to only charge cost or approximate cost based user fees.

Article No.	Offence Type	Fine	Notes
197 A	<p>Goods, other than certain specified prohibited goods, which are imported or exported through smuggling, and the value does not exceed 100 JODs</p> <ol style="list-style-type: none"> 1. Prohibited goods 2. Restricted goods 3. Goods subject to duties 	<p>- Same amount of duties</p> <p>- Same amount of duties</p> <p>- 50% of duties except cigarettes which will be the same amount of duties</p>	<p>- With confiscation, goods will only be returned, providing they are not prohibited or are cigarettes, after approval has been given by the relevant agency.</p>

The schedule also covers Article 197 B, 199, 198 B, 198 C, 199, 201 and 202. (Translations not completed). Article 236 of the Customs Law sets down the provisions for selling seized goods. Article 241 specifies how the proceeds of the sale are to be distributed.

Article 242 is important as it provides the legal authority to deduct funds from the proceeds of sales and fines and direct them to paying rewards/bonuses/incentives for officers involved in the execution of a customs action. It also provides the authority to pay rewards to “informants and seizure enforcers” from the proceeds of a sale of confiscated goods or transport where the fines or compensation are “meager” or insufficient to cover the distribution.

The Minister of Finance has issued a regulation 24/1999 that outlines the basis for general distribution of incentives. The regulation reads:

‘Pursuant to powers authorized (delegated) to me under Article 242 of the Customs law No. 20 of 1998 the following regulation (directive) shall be followed for the purposes of organizing the distribution of incentives.’

(I) The fines received are to be distributed as deposits in a special account for incentives.

(II) To be distributed on the following basis

- 1) 50% as monthly awards for officers involved directly (or assisting) in a successful “case” including identification of general violations and smuggling cases .
- 2) 25% of the fines to be distributed to officers who were not able to participate in the resolution of the “case”
- 3) 10% to be distributed to saving and social service fund
- 4) 10% for savings to be used for rewarding anti-smuggling personnel

5) 5% for incentives program at Headquarters.

(III)⁷ The procedures for distributing bonuses bases on the level of effort by individual officers involved in the “case” are determined by the Director-General.

(IV) In special circumstances that would warrant a different approach to the distribution of incentives the Director-General will make a submission for my approval.

⁷ The reference in paragraph III to procedures for distributing bonuses to be determined by the Director-General were not available as they are said to classified as “confidential” documents. This raises an issue of transparency of process.

7. Prior Reports

7.1 Background

A number of reports have been written in the past several years, each of which contains references to the CASES database. I do not propose to examine the progress with specific recommendations contained in these reports but some of the comments and themes deserve comment.

7.2 Issues/Response

7.2.1 Issue 1

The Enforcement Directorate uses a different form to record details of a smuggling offence. The form is called the Inspection Report. The information from this form is transferred to a Seizure Report form (Article 185 of the Customs Law No.20) by CASES staff working in the Enforcement Directorate prior to inserting the information into the CASES database. There is a question as to whether the Inspection Report has any legal basis, given that the Seizure Report requires the signature and names of the officers and the offender/s when the offence is discovered. There appears to be no good reason for the customs inspectors to use the Inspection Report in lieu of the Seizure Report. In fact, there appears to be strong argument to say that if customs officers do not use the appropriate legal form to admit the establish facts then they may not comply the law and the reports may be rendered “void, or at least challengeable”⁸.

Response – I agree with the observation made by IBLAW as the reasons given for maintaining the Inspection Report form simply do not stand up to detailed scrutiny. The current form is unnecessary and the manual transfer of the data from this form to a seizure report form creates data input error.

7.2.2 Issue 2

There was an issue raised by IBLAW proposing access to the CASES database by other agencies, the private sector and the courts. This raises some very significant legal and philosophical issues for JCD.

Response - Customs administrations and law enforcement agencies around the world would express some concern about providing broad and unfettered access to a system that records the personal details of persons charged with customs offences. Information recorded in law enforcement systems must be protected as it may record the details of persons who have supplied information to customs and secondly it may contain information about other persons alleged to be involved in customs violations and smuggling. Unauthorized or accidental access to this type of information could very easily create life threatening situations.

⁸ Digital Signature at Customs: Current Diagnosis, IBLAW, June 2004.

The information being recorded in CASES is designed to fulfill two goals, namely the secure storage of information that will subsequently be used to assist in the preparation of a brief of evidence and secondly to record information that can be subsequently analyzed and used to target and profile potential smugglers and customs commercial violations. The current practice of customs providing a certified copy of a CASES record to the court does not appear to be a significant problem and one has to balance the current legal acceptability of supplying these records against the significant issues likely to be raised by provided even limited access to a customs system.

Providing access to the CASES system for external agencies will undoubtedly create problems in terms of data and communications security. My recommendation would be to amend the customs law and specify that manner in which a certified printout from the CASES database is to be produced. It may be that draft legislation might specify the acceptability of a report that bears the user code for a nominated officer from CASES Directorate (digital signature).

7.2.3 Issue 3

Persons who have had a fine imposed on them for either a smuggling offence or a commercial violation have the option in Jordan of settling the matter by what is known as an Amicable Settlement Contract. A settlement by compromise (Article 211) can be initiated before or during prosecution and before the issuance of the judgment of first instance providing the fines do not exceed 500 JOD. There are also a number of other options for the Minister or his/her delegate and these are defined in Article 213. Based on interviews, it would appear that little or any of the information resulting from these arrangements are entered into CASES.

Response - CASES Directorate is not advised of the outcome of any court action or amicable settlement. This raises the question, how can a case file be closed if the result is not available to the CASES Directorate and recorded in the system? It also raises another question, how can an incentive be paid if the file is not closed?

7.2.4 Issue 4

There has been some criticism in the past concerning connectivity between customs centers and headquarters. A number of locations operate a dial-up system in communicating with the CASES system. This is done on a daily basis with a mirror image of the database being held at the remote location. While it is updated every 24 hours the system lacks the functionality of a real time system.

Response – Customs advised this problem had been referred to a communication specialist. While a 24 hour lag in information availability is manageable with the current CASES system, I would not be prepared to endorse such an arrangement if the system was to be redeveloped and used as a border alert system.

7.2.5 Issue 5

IBLAW, in the report on digital signatures, makes the point that the person inputting the information to the CASES database may not necessarily be the person responsible for identifying the violation.

Response - As previously stated, this occurs because the officer responsible for intercepting the violation does not have access to the CASES system. This arrangement appears to date back to when the system was first implemented. At the time it may have been the right decision, but as the system now has limited mandatory fields and the integrity of the system is constantly being questioned by users, one wonders whether a better result might not have been to direct the intercepting officer to input the data directly to the system.

7.2.6 Issue 6

In one report⁹ there are serious concerns expressed about the alleged inability by JCD to successfully defend prosecutions in court.

Response - This matter was raised with Director, CASES. He claimed that there has not been a single cases lost in court that can be directly attributable to either officer's statements or the integrity of the information in the CASES database. When a brief of evidence is prepared for court the information is extracted from the CASES system by directorate staff and transposed to a Form 9 for presentation to the court. The officer/s responsible for preparing the Form 9 signs the document and this continues to be an acceptable practice.

The director speculated that the cases referred to in the various reports may be civil actions where an importer disputes the value of the goods as assessed by the JCD and is attempting to recover duties and taxes that have already been paid to Customs. The director believes a percentage of these cases are found in favor of importer. This is to be expected but I see no connection between this scenario and the assertion made regarding the CASES system. The source data for the civil court action regarding value and duty is the ASYCUDA system and not the CASES system.

7.2.7 Issue 7

In the same report, concerns are expressed as to the integrity, accuracy and transparency of data. The report claims that customs is not able to categorically state that the officers who sign the inspection report are the same officers whose name appears on the Seizure Report.

Response – This is a valid assessment.

7.2.8 Issue 8

⁹ 'Customs Institutional Development – Intelligence Software Training,' prepared by Michael Krstic for the AMIR Program, July 2004.

There is also a reference in the report to an allegation that not all the seizures and violations made by JCD are recorded in the system.

Response - There have been cases in the past where JCD and other agencies have identified customs officers engaged in corrupt activities and the officers appear to have been severely dealt with, at least according to some of the officers I spoke with during the preparation of this report. The issue raised in the July 2004 report is said to relate to cases where customs or other agency personnel may be involved in corrupt activity and the shipment eludes the authorities. I pursued this issue and came to the conclusion, based on the number of current and historical referrals that the extent of the activity, said to be greater than 50% of all cases, is not supported by fact and grossly overestimated. The reasons for this are not clear.

7.2.9 Issue 9

There is one recommendation (4.2.2.8) in the report 9 that impacts on the incentives payment system used by JCD.

Response - This report addresses the incentive system in more detail. The incentives system used by JCD is enshrined in the customs law and in my view that it is consistent with the principles laid down in Arusha Declaration.¹⁰ There are a number of incorrect assumptions in the first report's recommendation and these were probably reached after comparison with other international benchmarks rather than assessing the legality and processes of incentives system used in Jordan.

7.2.10 Issue 10

There are a number of recommendations in the report¹¹ relating to the expansion of the CASES database to incorporate monitoring of illegal customs activity in Jordan and to record vehicles and trucks entering, departing or transiting the country.

Response - While this may be a satisfactory short-term solution (for Customs) I have concerns about "adding on" modules to a system that was primarily designed to satisfy a record keeping requirement. Customs might consider tasking the newly established Border Management Task Force to develop a concept paper on the establishment of a national multi-agency information and intelligence system.

7.2.11 Issue 11

A theme running through all the AMIR Program reports in which CASES is mentioned is that of ownership or more correctly, lack of ownership.

¹⁰ www.wcoomd.org

¹¹ 'Customs Institutional Development – Intelligence Software Training,' prepared by Michael Krstic for the AMIR Program, July 2004.

Response – Mr. Kristic’s report recommends that CASES Director be endorsed by the director general as the “owner” of the system. Furthermore, the directorate should assume responsibility (chair) for establishing a CASES user group committee, comprising all users in the JCD. This group should also be directed to liaise with the Border Management Task Force and provide input to the development of a concept paper, as described in sub-paragraph 7.2.10.

8. Analysis and Conclusion

8.1 CASES

For the most part, the CASES system meets the customs requirement to collect and record information concerning smuggling and customs violations.

Following are comments and analysis under various headings:

- . System ownership
- . Users
- . User groups
- . External access
- . Data integrity
- . Data input
- . Data collection
- . Information deficiencies
- . Mandatory fields
- . Inspection Report
- . System integrity and security
- . Connectivity
- . Audit
- . Training
- . Border Management Task Force
- . Incentives/Perceptions and alternatives

8.2 System ownership

A recurring issue during the interview process was the lack of ownership of the CASES database. The system should reside appropriately in the CASES Directorate. The officers who input data both at headquarters, the customs centers and in the Enforcement Directorate are all designated as CASES officers although the chain of command is within the customs center/enforcement and not to the CASES Directorate at headquarters. In other words, the CASES Directorate has not authority or responsibility for staff in these data input positions.

There are no management directives for the CASES system, at least in the operational areas I visited. The system does have online assistance for officers using the system but I could not find any information for example on the pre-requisites for becoming a CASES user and the formal arrangements on gaining access to the system.

Recommendation – Request the director general to sign an all staff memorandum advising that all correspondence, management and access issues relating to the CASES be channeled through the Director CASES.

8.3 Users

The CASES system has very few users given the size of the organization and the purpose of the system. It was not possible in the time to test the hypothesis that access codes are used by officers other than those who are assigned the code. It seems possible this could occur given the absence of any instructional or management directives regarding access and use of the system. Terminals used for CASES input and access appear to be always signed on, at least at Amman Customs House and enforcement and therefore easily accessible by other officers in the work area or passers by.

Recommendation – CASES Directorate, in consultation with Information Technology and Internal Audit Directorates, develop an audit plan that focuses on user access to the system.

8.4 User groups

Currently, data input is the responsibility of dedicated officers embedded in specific work areas. This arrangement has been in place since the system was first rolled out in 2001. The reason given for arrangement was a need to guarantee data quality and system integrity. It could be argued that data quality has fallen to an unacceptable level despite the adoption of this policy. The decision to reduce the mandatory fields had a significant impact on data quality and there has been no obvious attempt to resolve this problem. This report is recommending that the CASES Directorate establish a user group committee that decides on the current management and usage of the system. User access procedures, data quality, training, analysis, system audit and security should be given high priority.

Recommendation – Establish a CASES User Group to provide advice to the Director, CASES on system management and improvements.

8.5 External Access

This issue was raised in one of the earlier reports and adds to the debate and confusion over the primary purpose of the CASES system. There have been proposals suggesting that CASES be redeveloped toL

- record information regarding customs violations
- accommodate the requirements of the intelligence section
- provide a link to various courts in order to access data
- allow direct input from courts and other agencies
- provide access to data by the business community
- reduce the requirement to produce manual document

The arguments being made to develop CASES lack a strategic focus and attempt to satisfy an immediate shortfall in information or functionality. Some of the proposals have the potential to violate a person's privacy and even though there does not appear to be any privacy laws in Jordan at present that does not mean this will always be the case.

There are strong arguments from a law enforcement perspective as to why external access should be vigorously opposed. It may be possible to store data in a secure compartment within the system but then the system would need additional security for the system itself and communication protocols.

Recommendation – Task Information Technology to advise on whether the CASES system could be easily redeveloped to include secure compartments for use by external agencies and organizations.

8.6 Data Integrity

Data integrity can mean different things to different people. In this context, I am taking it to mean the comparison between what information is collected and put into the system vis a vis the “correctness” of the information being loaded into the system. In fact, both these issues are extremely important. The data being collected or required to be collected by law must be entered into the system and the quality of this data must be accurate if the system is to perform the tasks for which it was built. Secondly, the data in the system must be beyond reproach if the information is to be used in securing convictions in court, maintaining an accurate record of the amount of fines collected, providing customs staff with a credible system of recording customs violations relating to smuggling and general customs matters and lastly, being able to provide government ministers and the executive with accurate information relating to customs activities.

Recommendation – Task the CASES User Group to review the data content of the system and seek assistance from Information Technology to provide detailed analysis of CASES entry fields.

Recommendation - In consultation with Information Technology Directorate, task the CASES User Group to develop a user manual that includes a glossary of terms and measurement specifications for various classes of goods that are detained, seized or confiscated.

8.7 Data Input

Currently personnel from the CASES Directorate are assigned to all locations where the system is available for no other purpose than inputting the information to the database. In most developed customs administrations the officers responsible for the seizure are also responsible for creating the seizure record. Customs claim that the base level officers who are engaged in field activity that results in a detection and a seizure, usually enforcement officers on patrol or inspectors undertaking routine searches at a customs center are not sufficiently well trained to undertake an input task and secondly are not able to access the system in a timely fashion to complete the input.

One important issue raised by a number of the user groups was the question of user manual that includes a glossary of terms and measurement specifications for various classes of goods that are detained, seized or confiscated.

Recommendations – Undertake a Training Needs Analysis (TNA) with CASES users. Refer the results of the TNA to the CASES User Group. Based on the finding of the CASES User Group, Task the Training Center to develop training plans to correct the knowledge and skills of all front line officers to permit direct input by seizing officers in draft form. Modify the CASES database to insure secondary review of the record prior to final entry into the system and return to the input officer for modification prior to final signoff.

8.8 Data Collection

There are claims that the CASES database does not record all the smuggling and general customs violations encountered by customs. This is an extremely difficult claim to validate without spending time at various customs centers and with the operational units. There are claims that the drug seizures made by customs are not recorded in CASES as they are handed over to police or security at the time of the detection. This raises issues a huge number of integrity issues particularly chain of evidence requirements should the matter be taken before a court. These matters are not addressed here but should be a priority for the JCD to resolve.

Recommendation – Task the CASES User Group to develop policy and directives on what the type of seizures should be recorded in the system. Seek legal advice on the chain of evidence issues where goods are handed to another agency.

8.9 Information Deficiencies

A valid criticism of the system is that the “information loop is not closed” on many of the cases due to lack of information regarding the outcome of a settlement or a court case. This was one of the issues raised by IBLaw when suggesting that the courts should have access to the CASES system. The access would allow for the court officer to input the result of a court proceeding directly to the system thereby closing the loop and ensuring the case was closed.

Recommendation – Undertake a major audit and cross reference of the system to court records to determine what data deficiencies exist.

8.10 Mandatory Fields

The CASES system has a small number of mandatory fields and several of these are not shown as separate fields on the input screens. There is a possibility that this information could be recorded in free text fields, and if this is the case, then I would strongly recommend that steps be taken to change the system. The customs law specifies the information elements that are to be recorded on a seizure report and these fields are not currently mandatory in the CASES system.

There should be separate fields for these mandatory elements and information recorded in free text fields should be descriptors of the modus operandi rather than key data elements.

Customs claim that when the system was first implemented all the fields were mandatory. There are further claims that the IT area was directed to reduce the number of mandatory fields because officers were not able to collect the required data at the time of the seizure therefore it was easier to reduce the fields than input the entire data set at some later time.

It appears the decision to instruct IT to reduce the number of mandatory fields was done without reference to system owner or to any user group.

Recommendation –Task the CASES User Group to address the issue of mandatory fields as part of its review of the system.

8.11 Inspection Report

There is consensus, at least by observers from outside Enforcement Directorate, that the inspection report form is an unnecessary duplication of effort and the practice of using this form should be discontinued. Enforcement officers could easily complete the seizure report form, at least some fields, and the follow up and completion of the form could be undertaken by the officers responsible for CASES system.

There is no legal requirement to complete the form in its entirety at the time of the seizure and the law allows customs to complete the form, after the fact. When a Customs Center seizes goods the responsible officer/s complete the seizure report form. Apart from the location in which the seizure is made there is no difference between the two scenarios.

The review of the fields on both forms, the input screen for CASES and the requirement in the customs law indicates a review of the fields is long overdue. The use of free field text for some key data element causes problems for areas such as risk management and intelligence as they are not searchable.

Recommendations - Review the issues surrounding the use of the Inspection Report form by the Enforcement Directorate. Based on comments, legal advice and the findings in this report, consider discontinuing the use of the form immediately.

Recommendations - Draft a direction for signature by the director general to discontinue the practice of completing the Inspection Report form.

8.12 System Integrity and Security

The scope of work did not call for an examination of the data and system security. However, in examining the data elements and the input, amendment and deletion functionality it became apparent that there is an urgent need for these matters to be looked at by trained system analysts and auditors. I am not suggesting that there is anything wrong with the system or security other than these are matters should be regularly scheduled for audit and review.

On questioning officers in various operational areas, it appears that while the CASES database has a permanent record of activity built into the system, it is seldom, if ever used for audit purposes.

The issue of illegal access to CASES was raised by one area but customs has limited staff with relevant experience to conduct internal affairs investigations involving access to computer systems. This needs to be addressed immediately.

Recommendation – Consider employment of a system analyst with experience in both audit and security.

8.13 Connectivity

There are 26 different areas in customs accessing the CASES database. Seven (7) of these locations are, what is colloquially called “local or snap shot” sites. The database is updated every 24 hours and at that time the site provides any updates to the central computer and the vice versa.

The purpose for the current CASES database does not present any problems when operating local or snap shot sites. However, were customs to expand the system and use it for intelligence or operational purposes then there would be a need to have all customs centers with real-time access. The reason given for the existence of local or snap shot sites was connectivity or rather the lack of it. IT Directorate is working with the communication provider to rectify this problem.

Recommendation – Follow up on connectivity situation with Information Technology.

8.14 Audit

There are some audit functions performed on various aspects of the CASES system and generally by different directorates. There is no systems audit conducted by Information Technology Directorate as there is no system auditor employed by JCD. Internal Audit, CASES and Risk Management Directorates claim they undertake some random audit activities but these are not coordinated or scrutinized by any management or executive audit committee. The audits appear to be validation duty collection and authorizations.

Recommendation – Establish a national audit committee to oversee systems audits in JCD.

8.15 Training

CASES training is undertaken at the National Training Center and delivered with the support of a trainer from the CASES Directorate at headquarters. I am not confident that the training undertaken addresses the current training need. The feedback from my interviews suggests that training is infrequent and not directed at officers currently working in the area. It is directed at new recruits who may not have immediate need to access the CASES system.

One matter discussed during the interviews was the concept of making the seizing officer responsible for inputting the record to the system. This idea was not well received by either the CASES Directorate or the operational areas. The reason offered was the lack of experience and training of the seizing officers and the concern about data integrity. Part of the claim was that the officers are inexperienced customs officers and do not have sufficient knowledge to complete the documentation. This is a very unsatisfactory response in my view, and if this is the case, then the Customs Training Center has to accept the responsibility for failing to provide officers with the necessary skills to do their tasks.

Recommendation – See recommendation 7.7

8.16 Border Management Task Force

The Border Management Task Force is a government endorsed initiative that emanated from work done by Customs with the AMIR program. It's role is to examine operations at the border with a view to recommending streamlined procedures to government. The BMTF is made up of representatives from the military, security services, customs, police and a number of other agencies and organizations, such as the Ministry of Transport and ASEZA Customs.

Recommendation – Task the Border Management Task Force to develop a concept paper on the development of a national multi-agency information and intelligence system.

8.17 Incentives

The incentives program in JCD is one of the most divisive issues impacting on staff. A number of the senior officer corps in Customs expressed concern about the inequity of the system during preparation of a report on the shortfall in professional development and training skills. It seems that every activity in which a director participates on behalf of the agency has the potential to attract an additional monetary bonus. Whether it is participation on a committee or working in a specific position or work area, the remuneration is different in every case. The management of the incentives and salary structure appears to be an administrative nightmare!!

The incentives program is well embedded in the customs law and is well managed in the sense that there are directives from the Minister of Finance and the Director General of Customs as to the how the system is to be administered. Most the documentation is available for review (either in hard copy or on the customs intranet) although there is at least one directive that I was not able to review. This document was a confidential directive signed by the Director General and related to payments to officers and possibly informants. The document provided advice on the degree of administrative discretion that can be exercised by the Director General. In modern law enforcement agencies, the exact nature and detail of a payment to an informant is understandably confidential. However, the informants are generally registered with customs or the police to ensure that payments are made to the individual and not through a third person thus avoiding any potential for payment to go missing. Informant registration and procedures was not part of the terms of reference in this scope of work, although as Customs does use the incentives program it should be looked at as part of the audit program.

There is a second issue with having confidential documentation concerning payments to officers and informants. Any policy relating to incentive payments to officers should be transparent and available for review by the public and Government. The payment is after all expenditure of public monies and therefore should be available for scrutiny by government auditors and public expenditure review committees. Payment details and amounts made to informants should remain confidential but subject to audit and report to government.

Any secrecy regarding the incentives program is creates an undesirable perception of the system by the business community and the public and should be of serious concern for Customs. Customs has an opportunity to demonstrate that they have the initiative, capability and institutional fortitude to implement major change. These changes will certainly be seen by the Government and the public as a reinforcement of His Majesty's recent remarks at the World Economic Forum where he stated “ we know that effective reform must be an ongoing and inclusive process and that reforms must also be homegrown.”

At a meeting of Nobel laureates in Petra, Jordan in 2005, Mr. Klaus Schwab, founder and executive chairman of the World Economic Forum said that “good governance means that officials can explain everything to anyone at anytime.” Customs needs to ask itself the question, could we explain everything in the incentives program to anyone at any time?

Finally, the idea that Customs should look to another system to reward staff was floated by the Arab Business community in the Jordan Vision 2020 document. The document suggested that any reward system be based on merit and performance. This suggestion is in line with current initiatives being introduced to the Human Resources area where all officers will have a career record and this record can be linked to performance and a more equitable and transparent reward system.

At first glance one would have to say that the Civil Service Bureau pay structure appear to be an administrative nightmare. It is extremely difficult for a lay person to assess even the basic salary of a customs officer, let alone what each officer receives on a monthly basis. Add to that additional payments made through the incentives program and other internal reward systems and one quickly concludes that the system needs review and major reform.

At present, customs collects fines and government charges and directs a portion of these, as specified in the law, to paying for incentives and ongoing maintenance of customs buildings etc. One option for customs might be to create a more equitable and transparent reward system and negotiate a financial arrangement with the Ministry of Finance to fund the proposal. Customs might consider an arrangement where the fines and charges collected would fund the performance system in lieu of paying incentives.

This proposal is likely to be very unpopular in Customs, particularly among those officers who are recipients of regular and substantial incentive payments. It is important that in progressing this option AMIR consider engaging an expert/s to develop and explore additional options.

This issue is one that has the potential to cause financial hardship if it is not carefully managed. It is one thing to supplement a salary with an incentive or reward but quite another to change the remuneration arrangements and inadvertently create financial hardship. Financial hardship is a key ingredient in developing corrupt practices.

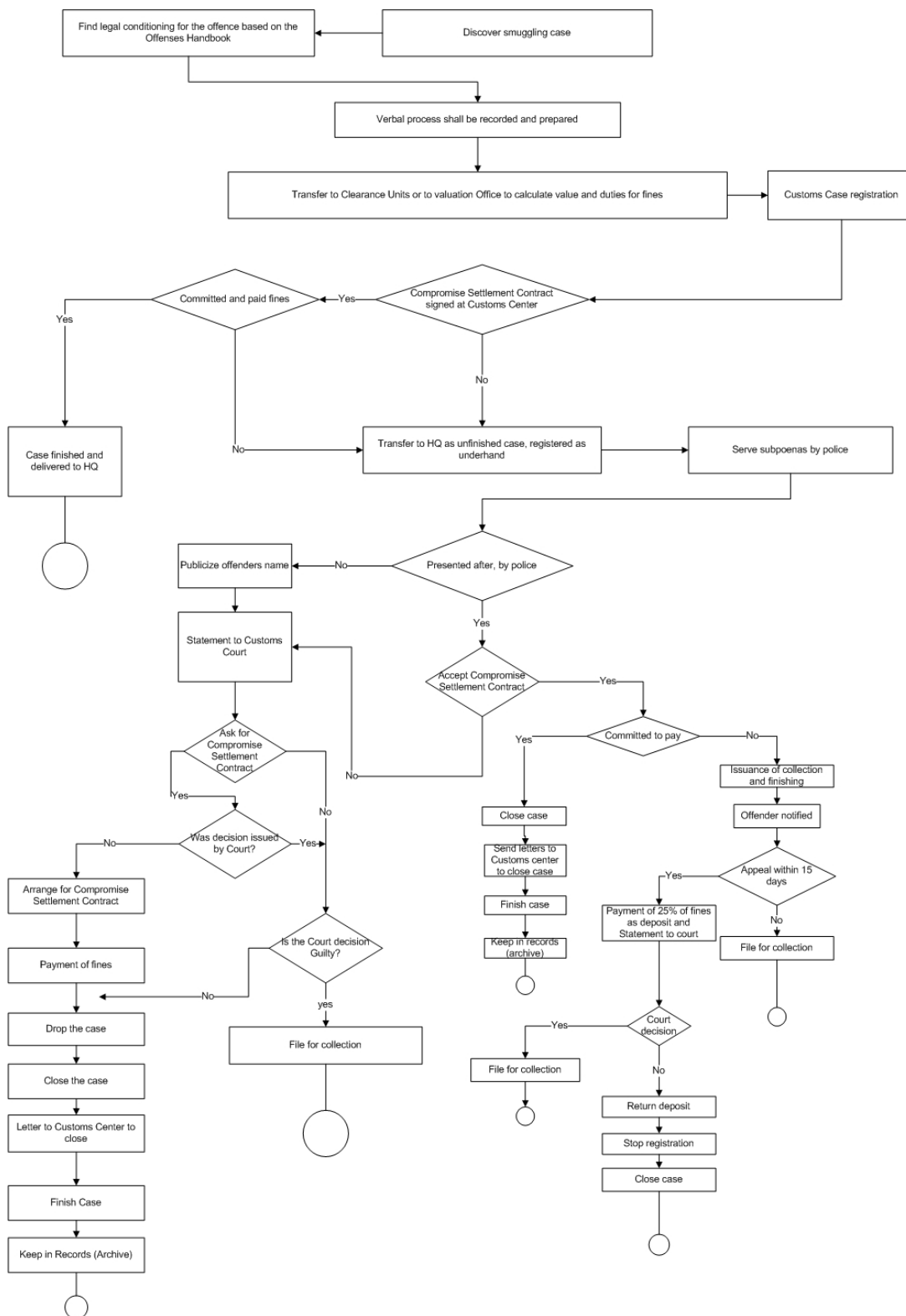
The incentives program is perceived by the business community, rightly or wrongly, as an impediment to trade; the community see the payment of incentives as an unsavory practice bordering on corruption and even though the program is written into the Customs Law it is seen by many senior executives within Customs as inequitable and the cause of considerable discontent and low morale.

8.18 Summary of Recommendations

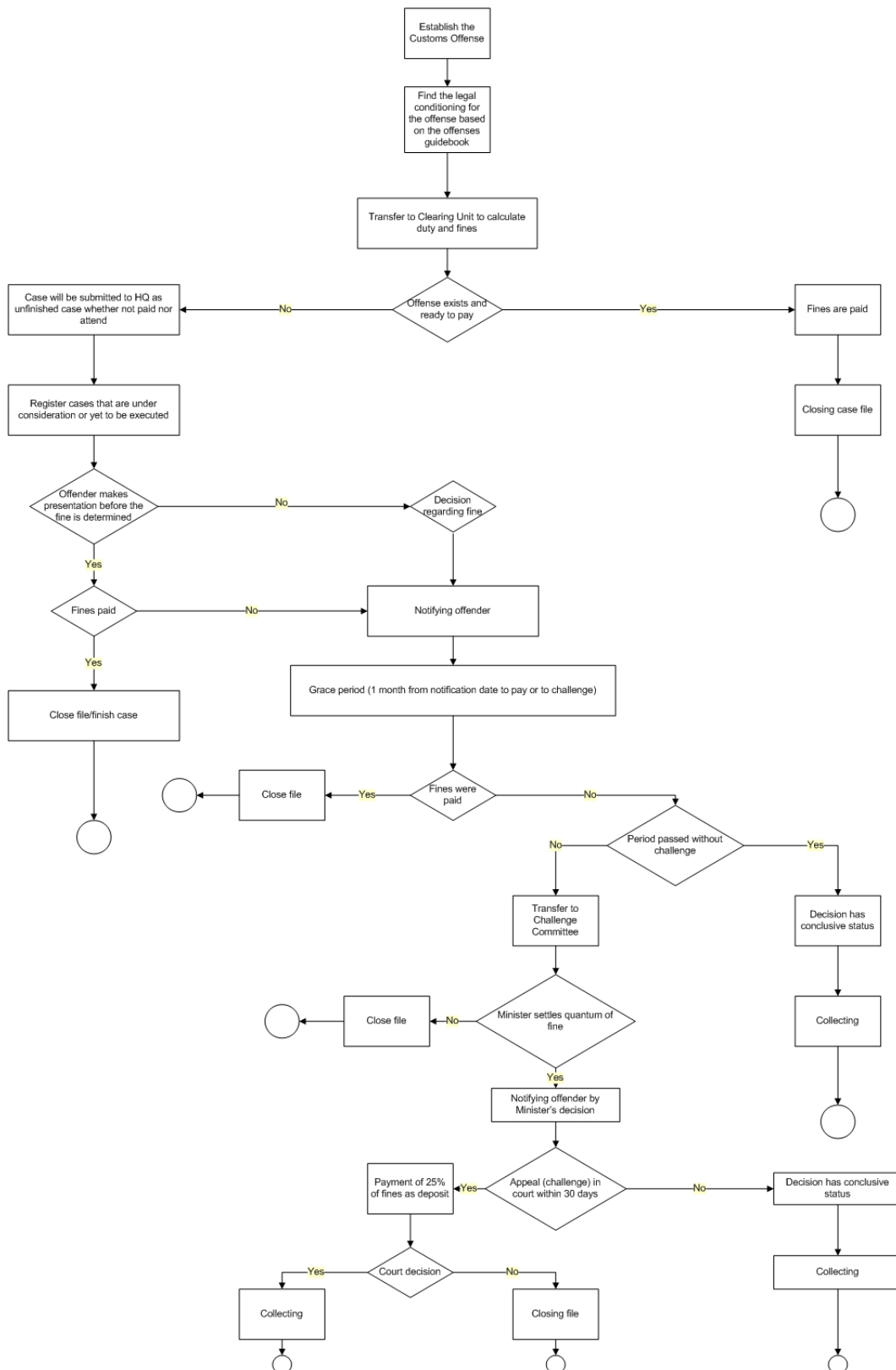
1. Request the Director General to sign an all staff memorandum advising that all correspondence, management and access issues relating to the CASES be channeled through the Director CASES.
2. CASES Directorate, in consultation with Information Technology and Internal Audit Directorates, develop an audit plan that focuses on user access to the system.
3. Establish a CASES User Group that provides advice to the Director on system management and improvements.
4. Task the Information Technology Directorate to advise on whether the CASES system could be redeveloped to include secure compartments for use by external agencies and organizations.

5. Task the CASES User Group to review the data content of the system including seeking assistance from Information Technology by providing detailed analysis of every field.
6. Undertake a training needs analysis with all CASES users.
7. In consultation with Information Technology directorate, task the CASES User Group to develop a user manual that includes a glossary of terms and measurement specifications for various classes of goods that are detained, seized or confiscated.
8. Recommend the CASES User Group develop policy and directives on the type of seizures that should be recorded in the system.
9. Seek legal advice on the chain of evidence issues where goods are handed to another agency.
10. Undertake a major audit and cross reference of the system to court records to determine what data deficiencies exist.
11. Instruct the CASES User Group to urgently address the issue of mandatory fields.
12. Review the use of the Inspection Report form by the Enforcement Directorate.
13. Consider employment of a system analyst with experience in both audit and security.
14. Establish a National Audit Committee to oversee system audits in Customs.
15. Task the Border Management Task Force to develop a concept paper on the development of a national multi-agency information and intelligence system.
16. Engage a salary/conditions expert to explore alternatives to the current incentives system.
17. Task the CASES User Group committee should give consideration and priority to the recommendations made in the report titled “Customs Institutional Development – Intelligence Software Training,” prepared by Michael Krstic for the AMIR Program, July 2004.

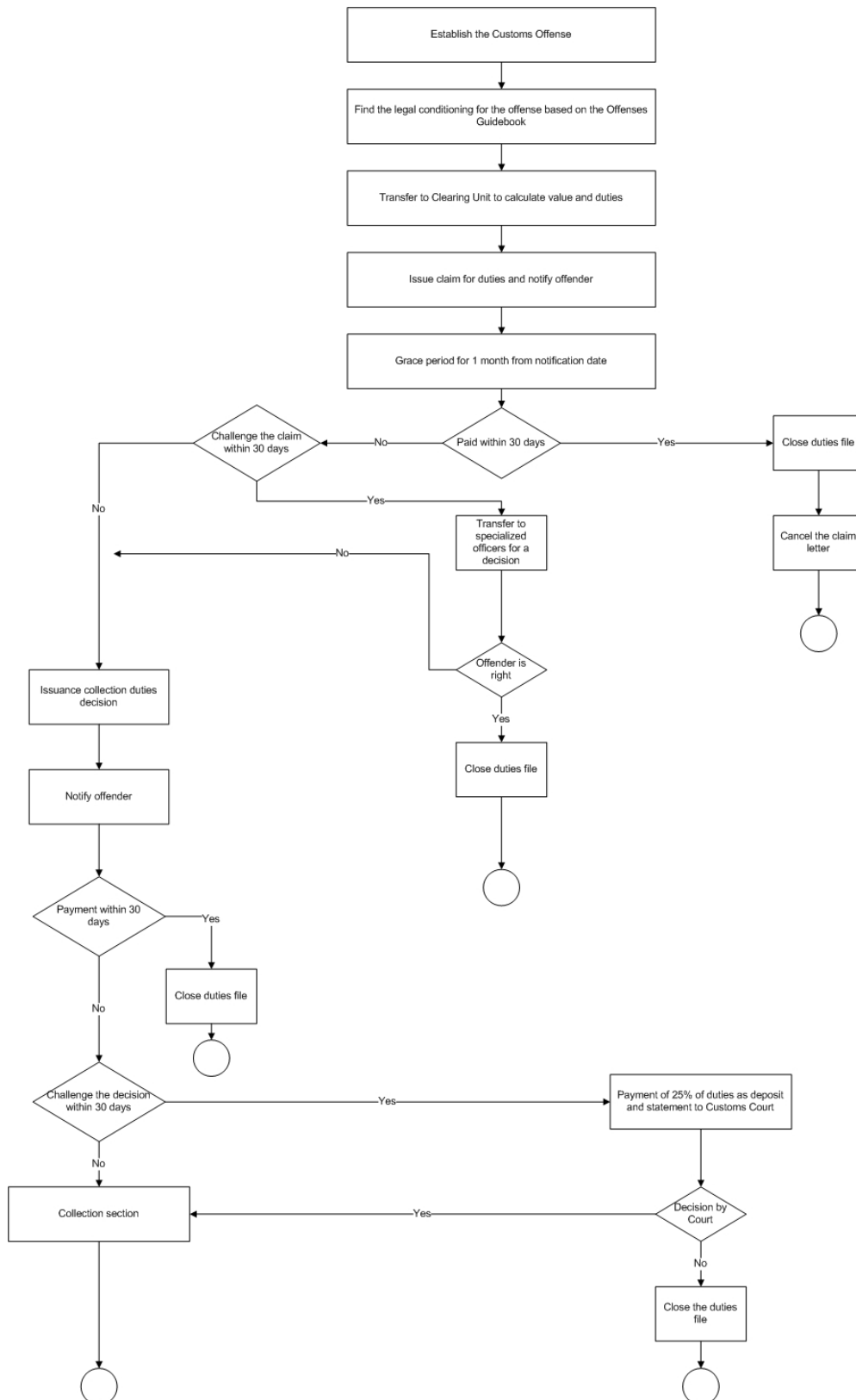
Annex 1 – CASES Flowchart – Smuggling Procedures



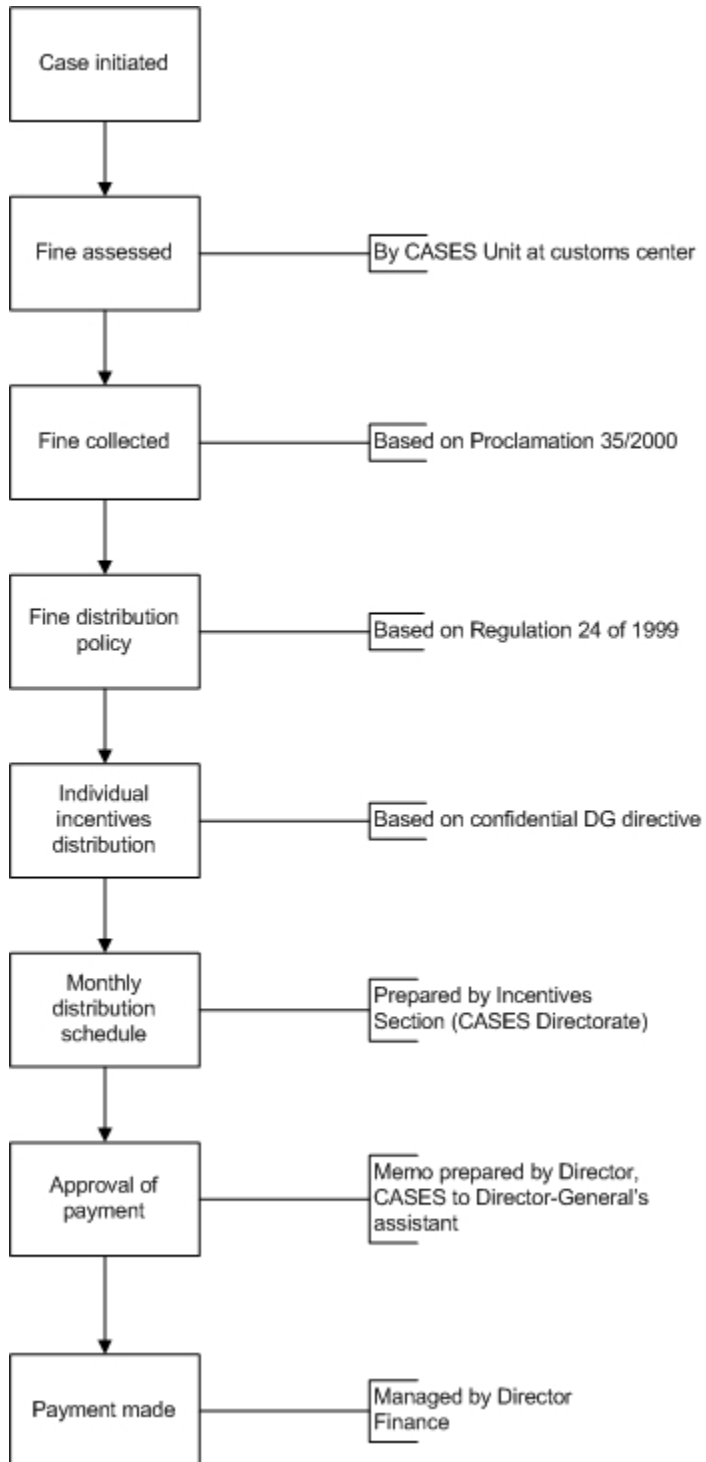
Annex 2 – CASES Flowchart – Customs offences (Fines)



Annex 3 – CASES Flowchart – Customs offences (Duties)



Annex 4 – Incentives Flowchart



Annex 5 – Extracts from Customs Law No.20

Article 161:

A- The following allowances shall be levied from the owners of the goods for the benefit of Customs Department Officials and Officials of other departments working with them:

1- 0.002 of the value of the imported goods and the locally-sold goods, provided that the amount shall not be less than 10JD and shall not exceed 250JD..

2- 20JD for each statement of transit.

3- 15 JD for each issued statement or each re-exporting.

4- 3 JD for each statement of luggage related to the travelers.

B- The Council of Ministers, upon recommendation from the Minister, may exclude any goods from payment of the above mentioned allowances.

C- The Council of Ministers, upon a recommendation by the Minister, may specify the allowances levied for an overtime work done for workshops, factories, ships and any other work carried out outside the customs zone.

D- Allowances collected under this Article shall be paid to the eligible officers prescribed in paragraph A of this Article, in the manner determined by the Minister and the remaining sums are deposited in a special fund for the Department. The Minister or whomever he authorizes may spend from the money deposited in the fund, on improving the customs centers, establishing housing compounds, housing loans for customs officials as well as improving their living conditions, sport, cultural and social standards .

Article 184:

The smuggling crimes and customs contravention shall be confirmed by a Seizure Report in accordance with the provisions specified in this Law.

Article 185:

A- The Seizure Report shall be prepared by at least two customs officials or officers, or from among official bodies at the most immediate date from the discovery of the contravention or the smuggling crime. When necessary, the Seizure Report may be made by one official.

B- The smuggled goods and the goods used to conceal the contravention or the smuggling crime and transport means, shall be moved to the nearest customs center when possible.

Article 186:

The following shall be recorded in the Seizure Report :-

A- Place , date and time of its preparation in letter and figures.

B- The names of those who prepared it, along with their signatures, ranks and jobs.

C- The names of the violators or those responsible for the smuggling, their descriptions, professions, detailed addresses and their selected areas of residence whenever possible.

D- The goods seized together with their kinds, quantities, values, duties and taxes liable to be lost, when possible.

E- Goods which have escaped seizure, within the limits of that which is knowable or traceable.

F- Details of events, the statements made by the violators or those responsible for the smuggling and the statements of witnesses if any.

G- The legal articles which apply to the contravention or the smuggling crime whenever possible.

H- A statement confirming that the contents of the Seizure Report, has been read to the violators or those responsible for the smuggling, who confirm these contents by signing the Seizure Report or refusing to do so.

I- All other useful events including the presence of the offenders or the persons responsible for the smuggling at the time of performing an inventory on the goods or their refusal to do so.

Article 187:

A- The Seizure Report made in accordance with Articles 185 and 186 of this Law, shall be considered established and confirmed with regard to the material happenings witnessed by those who prepared it unless the contrary is proved.

B- The formal incompleteness of the Seizure Report shall not be grounds for its annulment and the Seizure Report may be returned to those who prepared it for completion. However, the report may not be returned for completion if the deficiency is related to material happenings. Seizure Reports made in accordance with the previous Articles and substantiated by witnesses, events and confessions carried out and established in other countries shall have the same power of substantiation.

Article 188:

A- All means of verifications may be used to prove and confirm smuggling crimes. It is not necessary that this shall be based on seizing the goods inside or outside the customs zone. Verification of smuggling crimes, relating to goods for which customs declarations have been presented, with the goods being inspected and cleared without any notice or reservation from the Department, indicating a smuggling crime, shall not be ruled out.

B- All means of verification may be used to prove and confirm customs contravention.. The importer shall bear the liability of such contravention.

Article 189:

A person who claims forgery must submit his claim to the Customs Court of First Instance, at the first hearing in accordance with the judicial regulations in force. If the court detects signs and evidence supporting forgery, it shall refer the investigation to the Attorney General and postpone its hearing, until the forgery claim is settled. But if the Seizure Report whose forgery has been claimed, covers more than one item, the hearing concerning the rest of the items contained in the Seizure Report shall not be postponed, but the court shall proceed with the hearing and a judgment shall be issued.

Article 190:

A combined comprehensive Seizure Reports containing a number of offences may be prepared when the value of the goods for each contravention does not exceed 5 Dinars and within the limits and instructions set out by the Director . It may be sufficient to confiscate these goods by a decision from the Director or his deputy, and no request for re-consideration shall be accepted unless the owners of these goods pay customs duties, other fees and taxes as well as the due fines.

Chapter Two

Precautionary Measures

Section One : Precautionary Seizure

Article 191:

Those who prepare the Seizure Report have the right to seize the goods involved in the contravention or the smuggling crime and the means used in concealing them, as well as the transport means . They also have the right to seize all the documents for the purpose of proving the contravention and smuggling crimes, and guaranteeing the payment of fees, duties and fines.

Section Two

Article 192:

A- Precautionary Custody of persons is not allowed, except in the following cases:-

1- In cases of an attested smuggling crime.

2- Upon carrying out acts of hindrance which obstruct the investigation of the smuggling crime or the like .

3- When it is feared that the persons involved may flee, disappear to evade penalties and compensations which may be imposed on them.

B- The decision of Custody is issued by the Director or the person whom he delegates, and the general prosecution shall be notified, and the detainee is to be referred to the competent Customs Court within 24 hours. The Director may extend this period for one similar period, subject to the approval of the attorney general, in case the investigation process requires that, provided that the detainee shall be referred to the Customs Court at the end of the investigation.

Section Three

Prohibition Of Travel for Violators and those responsible for Smuggling

Article 193:

The Director has the right to request the concerned authorities, to prevent violators and those responsible for smuggling from leaving the country if the seized items are insufficient to cover the customs duties, taxes and fines. The Director shall have to cancel that request if the violator or the one responsible for the smuggling presents a bank security equivalent to the sums which he may be asked to pay, if it is found that the seized property does not cover those sums.

Chapter Three

Customs Offences and Penalties.

Section one : General Provisions

Article 194:

The customs fines and confiscation prescribed in this Law are considered a civil compensation for the Department, and shall not be governed by the Laws of General Amnesty.

Article 195:

When numerous offences are committed, fines shall be imposed for each one separately. It shall be sufficient, however, to impose the heaviest fine if the offences are connected in an inseparable manner.

Article 196:

It is meant by fees, whenever mentioned in this text, the imposition of the customs fine at a specific proportion, of which are the customs fees, duties and other taxes, that have been subject to loss.

Article 197:

A customs fine not exceeding the amount of duties, shall be imposed on the following:-

A-Goods imported or exported through smuggling whose value does not exceed 100 Dinars and which are not among the specified prohibited goods.

B- Items and materials designed for personal use, and the tools and gifts carried by the passengers the value of which does not exceed 500 Dinars, and which are not declared at the customs center upon entry or exit, and are not exempted from customs duties. The seized goods may, in both cases, be returned to their owners wholly or partly on condition that the restrictions prescribed by the provisions in force shall be observed.

Section Two

Customs offences and their Penalties

Article 198:

A- Except for cases falling under the category of smuggling, which are covered by Article 204 of this Law, a fine not more than half the amount of due duties and taxes shall be imposed on the following :

1- The unjustified shortage in cargo listed in the maritime manifest or its substitute.

2- Inconsistent declaration in which the real value has been confirmed to be not exceeding 10% of the declared value, 10% of weight, number or measurement, provided that the goods are not prohibited.

3- Statements showing the status of consumption which is violating in its amount or quantity or kind and which is related to the used home applications which are coming with those who arrive to Jordan for a permanent stay in the Kingdom and they have no commercial title.

B- Except for cases falling under the category of smuggling, covered by Article (204) of this Law, a fine not more than double the duties or half the goods value whichever is less, shall be imposed on the following offences.

1- The offending declaration which may lead to benefiting from the refund of duties and taxes, or clearing the records of goods under temporary entry, or goods imported for processing and export purposes, the duties of which exceed 500 JD, without having the right to do so.

2- The unjustified increase over what has been listed in the cargo manifest or its substitute. If the increase contains parcels bearing the same signs and numbers borne by other parcels, the extra parcels shall be considered as being subject to higher fees or subject to prohibition rules.

3- The unjustified decrease from what has been listed in the land or air cargo manifest or its substitute, whether such a decrease occurs in the number of parcels or their contents or in the quantities of bulk goods .

4- The use of items covered by exemptions or reduced tariff for a purpose other than that for which they have been imported . The same fine shall be imposed on exchange or sale or disposal of the above items in an illegal manner and without the Department's prior approval, and without submitting the necessary documents.

5- The sale of goods accepted, under suspended duties status, their use outside the permitted areas or for purposes other than those for which they are imported, or allocation for a purpose other than that for which they are designated, or their replacement or disposal in an unlawful way before notifying the Department and presenting the necessary documents.

6- Recovery of duties and taxes the value of which exceeds 500 JD without having the right to do so.

c- By considering what has been set forth in paragraph (B) of Article (199) of this law a fine of not less than half the fees and taxes shall be imposed on the offending transit statements and manifests which violate in value or kind or quantity or weight or measure or origin.

Article 199:

Except for cases falling under the category of smuggling, covered by Article 204 of this Law, a fine of no less than 50 JD and not more than 500 JD shall be imposed on each of the following offences.

A- The offending export declaration which may lead to evading the restrictions of export license or retrieving currency .

B- The offending declaration which may lead to benefiting from the refunding of duties and taxes, or clearing the records of goods under temporary entry or goods imported for processing and export purposes, whose duties do not exceed 500 JD.

C- Transport of passengers or goods within the country by vehicles acceptable under suspended duties status, in violation of the provisions of Laws and regulations .

D- Changing the route specified in the transit or re-export declarations without the Department's approval .

E- Removal of lead, buttons or erasing the customs seals off, goods dispatched by transit, or for re-export.

F- Presentation of the specified certificates necessary for the discharge and settlement of the transit manifests, the temporary entry undertakings, the inward processing of suspended duties status or re-export, after the expiry of the delay periods specified for that purpose.

G- Breaching any of the legal conditions and provisions of transit, inward processing, temporary entry or re-export, contained in the customs regulations issued according to this Law.

H- Offences against the provisions relating to public and private warehouses . This fine shall be collected from proprietors of, or investors in the said warehouses .

I- Existence with the concerned persons of more than one manifest or its substitute .

J- Possession or circulation within the customs limit, of goods subject to the control of that customs limit's officership, in an illegal manner or in a manner contravening the contents of the transport bill for the goods.

K- Ferrying by ships whose load capacity is less than 200 tones of restricted, prohibited goods, goods subject to heavy duties or specified prohibited goods, within the sea customs limit, whether the goods are mentioned in the cargo manifest or not. The same applies when such ships change their course inside the sea customs limit under circumstances other than those resulting from maritime emergency or force majeure .

L- Anchoring of ships, landing of planes or parking of other transport means, in places other than those set out for them and which are licensed by the Department.

M- Departure of ships, planes and other transport means from the harbor, or the customs zone without a license from the Department.

N- Anchoring of ships of any load capacity and the landing of planes, at harbors and airports other than those set out for those purposes, whether this is in normal or emergency cases, without notifying the nearest customs center.

O - The transfer of goods from one transport means to another or the re-export of these goods without an authorized declaration or license.

P- The loading and unloading of ships, trucks or cars and other transport means and the withdrawal of goods without a license, from the Department, or in the absence of the Department's personnel, or outside the hours set for that, or in violation of the conditions determined by the Department, or unloading the goods at places other than those allocated for that purpose.

Q- Obstructing the Department's officials from carrying out their duties and exercising their right to search, check and inspect, and non compliance with the demand to stop This fine shall be imposed on anyone who takes part in such an offence.

R- Failure to keep records, documents and similar items, during the period prescribed in Article (183) of this Law, or failure to present these records and documents.

S- Failure by customs clearance agents to abide by the customs regulations which specify their duties. In addition to the professional penalties that may be applied in this regard, in accordance with the provisions of Article (168) of this Law.

T- The verified shortage in goods at stores after being delivered in an apparently sound condition.

U- Goods which have escaped seizure and is impossible to determine their value, quantity or kind, without this hindering prosecution on charges of smuggling .

V- Retrieval of duties or taxes not exceeding 500 JD in value, without the right to do so. .

W- The transit declarations which are offending in value or quantity or weight or measure or origin and which are discovered at the exit customs centers.

Article 200:

Except for cases falling under the category of smuggling, a fine of 25 - 100 JD shall be imposed for the following offences.

a- Stating in the Declaration, information contrary to the documents attached thereto, Such a fine shall be levied from the declarer.

b- Listing several closed parcels put together in whatever way, in the manifest or its substitute as being one parcel. In this case, Article 60 of this Law concerning containers, pallets and trailers shall be observed .

c- Failure to present the manifest or its substitute, and the other documents referred to in Article 43 of this Law upon entry or exit, and also the delay in presenting the manifest or its substitute beyond the period prescribed in the same Article.

d- Non existence of a formal cargo manifest or its substitute, or the existence of a manifest contrary to the reality of the cargo.

e- Failure to mark the manifest by the customs authorities, at the shipment place in cases where such marking is essential in accordance with the provisions of this Law.

f- Neglecting to list what should be listed in the manifest or its substitute.

g- Importation by mail of closed parcels or unlabelled cans, in violation of the provisions of Arab and international postal agreements, and the national legal provisions in force .

h- Commencing to recover duties and taxes without having the right to do so.

i- Every other contravention to the provisions of this Law, regulations, decisions and instructions enforcing them .

Article 201:

A fine between 5 - 10 Dinars for each day of delay, shall be imposed in cases of contravention involving delay in presenting the goods dispatched by transit or re-export to the exit office or to the internal destination office, after the expiry of the periods determined in the manifests,. Provided that the fine shall not exceed half the value of the goods.

Article 202:

A fine from 1 - 10 Dinars shall be imposed for each week of delay, or any part thereof, for contravention of delay in returning the goods entering temporarily, or for processing purposes after the expiry of the period set out, for them in the declaration, with the exception of cars where the fine shall be from 5-10 JD, provided that the fine shall not exceed half the value of goods.

Chapter Four

Section One : Smuggling and its Penalties

Article 203:

Smuggling is the bringing of goods into the country or transferring them out of it in a manner contravening the enforced legislations, and without payment of the whole or part of the customs duties and other fees and taxes, or in violation of the rules of prohibition or restrictions prescribed in this Law, or the other laws and regulations. The goods referred to in Article 197 of this Law, shall not be subject to this Article.

Article 204:

The following cases specifically fall under the definition of smuggling :

A- Failure upon entry to direct the goods to the nearest customs center.

B- Failure to follow the appointed routes when bringing in the goods or transferring them out of the country.

C- Unloading or loading the goods from or on board ships, in a manner contravening the regulations prevailing, at coasts where customs centers are not available, and loading or unloading the goods in the sea customs limit.

D- Unloading or loading the goods from or on board the planes in an illegal manner, outside the official airports or jettisoning the goods during flight. In such cases, provisions of Article 53 of this Law shall be observed.

E- Failure at entry and exit offices, to declare the goods entering or departing without a manifest. The goods carried by the passengers are included in the above, while observing the provisions of Article 197 of this Law.

F- Crossing with the goods the customs centers without declaring thereof, upon entry or departure.

G- The discovery at the customs center of undeclared goods, hidden in places, with the aim of concealing them, or placed in gaps or cavities that are usually not intended for the containment of such goods.

H- The increase, decrease or exchange with regard to the number of packages and their contents which are accepted under suspension of duties prescribed in Title 6 of this Law, which have been discovered following the departure of the goods, from the entry center. This rule shall cover the goods which have come to the country by smuggling or without customs formalities, in which case the transporter shall assume the responsibility thereof.

I- Failure to submit the proofs specified by the Department in justification of the documents relating to the suspension of duties status, stated upon in Title 6 of this Law.

J- The removal of goods from the free zones, the stores or warehouses to the customs yard without the customs formalities.

K- Presenting false manifests intended for the importation or exportation of specified prohibited, prohibited or monopoly goods or, manifests intended for the import of goods by falsifying their value so as to surpass the amounts of money determined in the enforced rules.

L- The submission of false, forged or fabricated documents or bills, or labeling the goods with false signs, with the aim of evading customs duties or the other fees and taxes in whole or in part, or with the aim of evading the rules of prohibition and restriction, while observing the provisions of Article 198/A, C) of this Law.

M- The transport or possession of the goods which are under the control of customs zone's officers without presenting a legal document.

N- Failure to re-import the goods whose exportation is prohibited, and goods exported temporarily for whatever purpose.

O- Unloading or loading trains in places where customs centers are not available or loading or unloading the goods in the customs zone in a manner contravening the regulations

Section Two Penal Liability

Article 205:

Penal liability, for the crime of smuggling, stipulates the existence of intent. The penal provisions in force shall be observed in determining this liability. The following shall be considered liable for penalty :-

- a- The original perpetrators.
- b- Accomplices in the crime.
- c- Mediators and inciters.
- d- The possessors of the smuggled materials.
- e- The owners of the transport means which have been used for the smuggling as well as the drivers and their assistants.
- f- The owners or tenants of the shops and places in which the smuggled goods are placed, or those who benefit from these shops and places.

Section Three Penalties

Article 206:

The following penalties shall be imposed on persons who commit smuggling or that covered by its clauses, or commence upon either of them:-

A- A fine not less than 50 Dinars and not more than 1000 Dinars and, on repetition a jail term between one month and three years plus the prescribed fine or by one of these two penalties.

B- A customs fine as a civil compensation for the Department as follows :-

- 1- Between three times to six times the value of the specified prohibited goods.
- 2- Between double to treble the value in addition to the duties relating to the prohibited or monopoly goods.
- 3- Between double to four times the duties, for goods subject to customs duties, if not prohibited or monopolized, provided that the fine shall not be less than half the value of the goods.
- 4- Between 25 -100 Dinars for goods not subject to duties or taxes and which are not prohibited or monopolized.

C- Confiscation of the goods involved in the smuggling, or levying the equivalent of their value including the duties, if the goods are not seized or have escaped seizure.

D- Confiscation of the transportation means and the tools and materials used in the smuggling, or a fine not exceeding 50% of the value of the smuggled goods, provided that it does not exceed the value of the transport means, with the exception of ships, planes and trains unless they are prepared or hired for this purpose, or levying the equivalent of their value if they are not seized or have escaped seizure.

Article 207:

The Director may decide to confiscate the seized goods, in case the smugglers manage to escape, or are untraceable.

Chapter Five Prosecutions

Section One : Administrative Prosecution Decisions of Collection and Fines

Article 208:

A- The Director or whomever he authorizes, may issue a decision claiming the duties, taxes and fines which the Department collects, provided that the sums to be collected are due and fixed in amount, under guaranteed undertakings, or a compromise settlement undertaking, or a final court decision. The taxable party shall attend before the Department to settle the claim ,within 30 days, from the date of being notified of the decision.

B- The Director may issue a decision for levying the claimed fees, taxes and fines, if the taxable party does not report to the Department within the period referred to in paragraph (A) of this Article .

C- The taxable party may contest the collection decision, at the competent court within thirty days from the date of being notified . This , however, does not stop execution, unless 25% of the claimed sums are paid as security or under a bank guarantee.

Article 209:

A-The fines set out in chapter 3 of this title, shall be imposed via a decision by the Director or whomever he authorizes .

B- The offender, in person, or his representative shall be notified of the fine imposed on him by a written notice, or registered mail. The offender must pay the fines within 30 days from the date of notification, or the date of the refusal to sign the notification.

Article 210:

A- It is possible to contest, with the Minister, the fine decisions issued according to Article 209, of this Law, within the period specified therein. The Minister may confirm the fine decision, cancel or reduce the fine, if there are justifying reasons.

B- The Minister's decision, issued under paragraph (A) of this Article, may be appealed against, before the Customs Court when the imposed fine plus the value of the confiscated goods exceed 500 JD. The Appeal should be submitted within 30 days from notification of the Minister's decision, and the court may confirm the fine, amend or cancel it .

Section Two

Legal Prosecution of Smuggling Crimes

Article 211:

Legal proceedings in smuggling crimes, may not be instituted except upon a written request from the Director, or the official who acts on his behalf during his absence.

Article 242:

The amounts of customs fines and the value of the confiscated materials, goods and means of transport shall be passed on to the Treasury after discounting the costs, fees and duties. One third of those amounts shall be deducted for paying bonuses which may be distributed by directives made via a decision by the Minister upon a recommendation by the Director, provided that, when distributing those bonuses, the efforts of the officials who secure those customs fines shall be observed.

Annex 6 – Data Elements: Inspection Report

- . Serial Number
- . Date
- . Time of activity
- . List of Customs Patrol members who seized goods at the premises of
- . Name of offender and address
- . List and description of goods
- . Text – Above materials were seized and after inspection the concerned (alleged offender) has been asked if anything has been lost, broken or damaged and he answered: NO
- . All the officers involved and the smuggler sign the form
- . Seizure transferred to Enforcement Directorate
- . Member signature
- . Member ID Number
- . Patrol officer
- . Concerned person (alleged smuggler) or delegate
- . Procedures
- . Fines have been collected
- . Receipt number
- . Date
- . Seizure Report Number
- . Date
- . Transferred to Amman Customs Center

Annex 7– Data Elements: Seizure Report

Form Header

- . Registered (Sequential) Number
- . Center Code
- . Center/Department
- . Name of offender/s
- . Mother's name
- . ID Number
- . Tax File No.
- . Non-Jordanian Passport Number
- . Address

Legal description of offence

- . Article Number
- . Date
Place of Detection/seizure
- . Time of detection/seizure

Goods

- . Description of Goods
- . Quantity
- . Value
- . Duties

Vehicle/Transport Mode

- . Description/Kind
- . Registration Number
- . Nationality
- . Hiding Place
- . Description of Place

Description of Seizure

- . Names of Seizing Officers(and reference to informants)
- . Name(officer's staff ID no.)
- . Title
- . Signature

Smuggler Details

- . Signature of smuggler(to be signed after the above detail is read aloud to them)
- . Name
- . Signature

Storage Details

- . Reference details for storage of goods
- . Reference number
- . Date
- . Transport details
- . Number
- . Date
- . Case number

Signature blocks

- . Signature of CASES officer recording the case
- . Signature of Director